THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Mr. Cunningham and the Future Status of Shanghai!

Next Move in the Sino-Japanese Situation

Have Britain and Japan "Allied" or Not?

Albert Thomas' Mission to China

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Obstacles Toward Tariff Autonomy

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Spanish Recruit Chinese Laborers

Shanghai Welcomes China's "Lindbergh"

評論報 許勃氏

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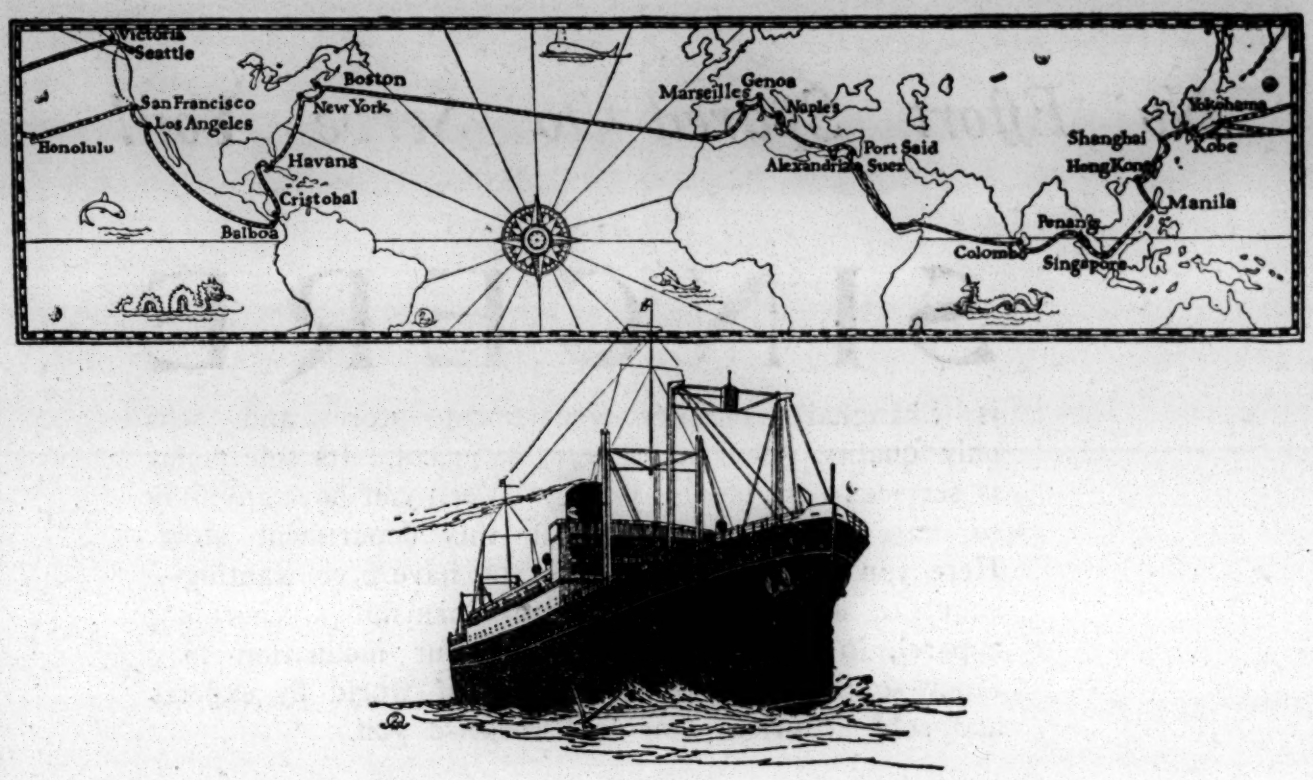

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THE CHINA WEEKLY REVIEW

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J. B. POWELL, Editor and Publisher
LIZEN SCHENG, Advertising Manager
EDGAR SNOW, Asst. Advertising Manager

CONTRIBUTING EDITORS

GEO. W. MISSEMER C. Y. W. MENG
CHAS. A. DAILEY (Peking) SAMUEL H. CHANG (S'hai)
P. T. CHEN

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WHAT U. S. EDITORS THINK OF CHINA NOW!

IF NEWSPAPER editors may be given credit for expressing public opinion, the general opinion in America toward China at this time is on the favorable side. This impression is gained from the November 10 issue of the *Literary Digest* which contains a summary of editorial comment on the subject of China's present efforts toward reconstruction. The *Boston Globe* expresses the opinion that there are but three parallels in modern history to the tremendous undertakings of the Chinese Nationalists —the reorganization of Russia under the Soviet; the reconstruction of France after the fall of the Bourbons, and the building up of the United States after the battle of Yorktown. In each of these cases, says the editor of the Boston newspaper, a people found themselves faced by the task of rearing a structure of government from the bottom to the top. On every side lay the litter of a discredited and defeated past. There were dissenting voices on every hand, yet in each instance leaders emerged to knit a structure embodying the essence of the new experiment in Government. Is China to follow the example of France, Russia, and the United States through the elevation of Chiang Kai-shek, victorious Cantonese military leader, to the Presidency? Other newspapers which also express generally favorable views are the New York *Herald-Tribune* which paper comments favorably upon the decision of the National Government to avail itself of the services of American advisers, but expresses the opinion that it might have been better if the National Government had waited a little while longer before issuing an ultimatum on the question of extraterritoriality. The Columbus (Ohio) *Dispatch* in referring to the appointment of Dr. Edwin W. Kemmerer of Princeton University as an adviser in currency reform, tells of this professor's wide experience in this field and adds the comment that he "is unquestionably one of the best-informed men on the subject. To this comment the Manchester (New Hampshire) *Union* adds that Prof. Kemmerer "will find the job in China more intricate than any he has attempted in the past." The Providence (Rhode Island) *Journal* "considers it gratifying that China should look to the United States for expert financial and engineering advice.....and after the new Chinese Republic has obtained the information and advice which it seeks, it does not intend to neutralize the advantages thereby gained by impeding the development of stronger economic ties with the rest of the world." The Seattle *Times* modestly remarks that "nobody believes that American financial and industrial leaders have a monopoly of administrative or organizing ability, yet other countries have looked here for help and advice and have had reason to

congratulate themselves...in no fewer than half a dozen other countries Americans have acted as financial and economic advisers since the World War...China is beginning a great reconstruction program. The best brains available will be needed to carry on the public enterprises, to promote industries, and to organize the government." The Memphia (Tennessee) *Commercial Appeal* thinks that the invitation to Henry Ford and other prominent Americans to act as advisers "may be interpreted as the opening wedge in the quest for a large American loan, but whatever the motive, the Nationalist regime is making an intelligent effort to give China a stable government." The Des Moines (Iowa) *Tribune* and the Indianapolis (Indiana) *News* devote considerable comment on the subject of abolition of extraterritoriality, the comment being of interest in that it shows that this question is beginning to be understood in the United States. The *News* explains the position of the American Government as being, "that although the principle could not be defended as a permanent policy, the capacity of the Chinese to maintain equity and justice must be assured before all the concessions could be surrendered. In a considerable degree this has been the stand of the British and it reflects the decision arrived at in the Washington Conference in 1922 when a mixed commission was appointed to inquire into native Chinese courts and jurisprudence." But on the other hand, the Newark (New Jersey) *News* believes that China is now in a position to demand that she be treated as an equal...She has cleaned her house, throwing out the rival war-lords who have kept the country upheaved ever since the overthrow of the monarchy. The country is united beyond expectation, under a government of moderate temper which shows evidence of stability. If this new China continues along its present path, the demand for abolition of extraterritoriality, will have to be granted. The safest way to make a change is by friendly cooperation. The Chinese have not been unreasonable. They have recognized the necessity for improving their courts and have labored to effect judicial reforms that will remove ali excuse for the exterritorial courts. Whether or not the reforms are adequate as yet, the Powers should be anticipating the time when extraterritoriality can be abolished. They ought to let China see they are actually moving toward that end." The Norfolk *Virginian-Pilot*, Springfield (Mass.) *Union*, Philadelphia *Inquirer* and Detroit *Free Press*, all express gratification at the election of General Chiang Kai-shek to the presidency of the State Council and express the belief that "he has the interests of the entire country at heart and under his guiding hand the new Republic is in a fair way to realize its dream of a strong, stable, and unified government." Mr. Lewis S. Gannett, formerly associated editor of the *Nation*, in an article in the New York *Herald-Tribune* states that Gen. Chiang is young and modern and "if any man in China to-day is competent to assume the direction of the task, it is Chiang Kai-shek." Two papers, the Troy (N. Y.) *Record* and the New York *Times*, however, are not overly enthusiastic, the *Record* saying, "one cannot take a country such as China accustomed for generations, as it has been, to famine, bribery, and revolution, and make it over in a day." The New York *Times* concludes the comment to the following effect:

> "It would be wrong to assume that it is much more than a ratification of the existing arrangement among the Chinese leaders. Chiang Kai-shek has been the head of the Nationalist Government in fact, if not in name, for the last six months or more. The change of the label from Generalissimo' to 'President' should not mislead us. The same is true of the word 'Republic,' which has taken the place of 'Empire' in the last sixteen years. Americans, thinking in terms of their own Government, are inclined to accept China as a republic in fact, as well as in name, whereas the Government is still a dictatorship. There is no Parliament, no Constitution in force, no expression of the public will by ballot, no effective public opinion able to control and direct the acts of officials.
>
> "The regeneration of China can be achieved only by slow and painful work. Not in a year, or even in a decade can the transformation of a people still largely in a medieval state of civilization into a modern nation be effected."

QUESTION OF NAVAL PARITY BETWEEN U. S.-BRITAIN

ANOTHER move in the direction of an understanding on the part of the principal Powers in respect to the limitation of naval armament was made on November 27 when Hon. F. A. Britten, chairman of the Naval Affairs Committee of the U. S. House of Representatives cabled directly to Mr. Stanley Baldwin, the British Premier, suggesting that a joint meeting of a committee composed of members of the House of Commons and the United States Naval Affairs Committee be held in Canada for the purpose of discussing the question of equality of sea-power between Britain and the United States. Mr. Britten's telegram recommended that this conference be authorized to work out a scheme of exact parity between the two countries for all classes of warships not affected by the Washington Arms Conference and that after the conclusion of the Conference both the American and British groups report direct to their respective Governments for action. *A Reuter* report from Washington dated Nov. 29 stated that American officialdom did not take this suggestion of Congressman Britten seriously and that his action was "generally criticised as unwise and unnecessary." Since this report sounded suspiciously like propaganda on the part of those opposed to limitation of naval armament, it was interesting to note that Mr. Baldwin the British Premier, did take Mr. Britten's suggestion seriously and that a possibility exists that something may come of it. These gestures on the part of American and British officialdom on the matter of limitation of naval armament are interesting in the light of recent disclosures regarding the Anglo-French Naval Pact and recent propaganda pertaining to a possible renewal of the Anglo-Japanese Alliance. As stated in previous issues of *The Review*, the major Powers are now juggling for positions of vantage in preparation for the next conference on limitation of naval armament provided for in the Washington Conference agreements of 1921-1922. The Washington Conference was only able to reach an agreement on the limitation of capital ships but was not able to reach an understanding on cruisers, submarines or other auxiliary craft. Last year the United States, Great Britain and Japan held another conference on this subject and again they were unable to agree, the chief trouble being the inability of the United States and Great Britain to reach an understanding on the question of first class cruiser construction, the United States demanding exact equality with the British fleet. Then a few months ago we had the disclosures regarding the secret Anglo-French naval understanding wherein those two Powers reached a tentative understanding to limit the particular classes of fighting craft that the United States is interested in, but not limiting the

classes that the British and French are interested in. And now we have the rumors of a possible renewal of the Anglo-Japanese Alliance which was officially abrogated at the Washington Conference largely due to opposition on the part of the United States, Canada and Australia. It is needless to mention that the advocates of a big navy in the United States will make much of both the Anglo-French Naval Pact and the allegations regarding a renewal of the Anglo-Japanese Alliance in the next session of Congress when the proposal for practically unlimited construction of first class cruisers will be renewed, It goes without saying that this propaganda and intrigue over naval construction is of interest to China because it indicates the lack of harmony existing among the leading Powers on naval as well as other questions of international policy. *The China Critic*, a weekly magazine published by Chinese interests in Shanghai, last week devoted considerable attention to this question of a possible renewal of the Anglo-Japanese Alliance, the following paragraphs being reproduced from the text,

> "A revival of the Anglo- Japanese Alliance will be significant in many aspects. To begin with, it will be a proof of the insincerity of the Yada Mission. (Pertaining to a settlement of outstanding Sino-Japanese Questions). Even now there are rumors that Tanaka is repudiating the arrangements made by Consul-General Yada and Dr. C. T. Wang. If our neighbor again resorts to secret diplomacy and forms an alliance with another Power, manifestly to the detriment of China's interests, the good faith of the Yada Mission will be doubly open to question.
>
> "The pernicious influence of such an alliance is too well known to call for elucidation. We do not for a moment believe that British statesmanship will be influenced by Japanese propaganda. British interests in China today is purely of an economic nature, and in the course of the past year British trade has improved with the recovery of Chinese goodwill. Furthermore, Great Britain has by her recent acts indicated her readiness to recognize China's sovereignty not only in a territorial sense but also in a political way. Mr. Stanley Baldwin's speech at the Lord Mayor's banquet which we commented upon in our last issue is the most recent proof of Great Britain's friendly policy towards China.
>
> "Finally, the peace desiring world cannot countenance any alliance of this kind. The Kellogg Pact which has so recently been hailed as the greatest peace document will be nullified by any alliance which Japan may wish to form with Great Britain. Such an alliance would not only affect China, but the whole world will be concerned. We believe that the American sense of open diplomacy which was so marked at the Washington Conference and which has brought about the Anti-War pact, will again be roused to defeat any Anglo-Japanese Alliance, as it did in the case of the Anglo-French Naval Pact."

SHANGHAI WELCOMES CHINA'S "LINDBERGH"

THERE IS REAL justification for the title "Lindbergh of China" which has been applied to Captain Chang Wei-chang, the Chinese air-man who has been flying about the country and who made a successful landing at Shanghai on Tuesday of this week. Capt. Chang's plane is an exact duplicate of Col. Lindbergh's "Spirit of St. Louis" hence it is also appropriate that Capt. Chang's plane should be called the "Spirit of Canton" because his present flight, which is being takem for the purpose of stimulating interest in aviation, was financed entirely by the Canton Aviation Bureau. Capt. Chang hopped-off from Canton on Nov. 11 and flew directly to Hankow and from that city he flew to Nanking. After a few days in the Capital, he then flew to Peiping. Thence to Mukden and back to Tientsin, following which he came directly to Shanghai. He has actually been in the air about 36 hours and has covered approximately 5,000 miles all on Chinese territory. When he gets back to Canton he will have covered about 6,000 miles—not a mean accomplishment for a Chinese aviator when one considers that flying is at the initial stage in this country. Aside from the flight of the Japanese air-man from Tokyo to Moscow last year, Capt. Chang's accomplishment is probably the most notable of any Oriental aviator. It was a great occasion for the Cantonese residents of Shanghai when Capt. Chang and his assistants, Messrs. Hwang Yu-pei and Yang Kwang-yu landed at the Hungjao airdrome at Shanghai last Tuesday. There probably were more than a thousand persons on hand to greet the plane, including local officials and the response was immediate when the giant monoplane made a perfect landing. The three occupants of the plane were hoisted to the shoulders of the crowd and then someone noticed Capt. Chang's wife in the crowd and she was lined up with the three bird-men for a picture. The flight from Tientsin to Shanghai, a distance of about 800 miles (they flew along the coast) required about five hours and according to Capt. Chang's statement was without incident. It is a matter of no little gratification for Americans that Capt. Chang is flying an American "Ryan-Mahoney" plane, one of the first to be brought to this country. Also there is gratitude among Americans that Capt. Chang received his aviation education and training at the Mineola Field at New York. It was appropriate that among the first to greet Capt. Chang and his "Spirit of Canton" were representatives of the local American Consulate and Commercial Attache's office and the American Marine forces stationed here.

Have Britain and Japan "Allied" or Not?

IN LAST WEEK'S issue of *The Review* there appeared a discussion of the reports from Tokyo indicating a possible renewal of the Anglo-Japanese Alliance, or at least an "understanding" on the part of Great Britain and Japan on the question of cooperation in respect to China questions. All of the reports from Tokyo bearing on this question indicated that there was something more than newspaper reports back of the obvious desire on the part of the Tanaka Cabinet to reach an understanding with Great Britain. But in reply to an inquiry at the British Foreign Office by the Chinese Charge d'Affairs in London, the British Government declared that the reports from Tokyo were "without foundation." The first reports from Tokyo on this question were distributed to the press in the Far East on Nov. 22. The British denial to the Chinese inquiry in London was issued on Nov. 24 or 25, and was made public by the official *Kuo Min* news agency in Shanghai on Nov. 29. Despite the denials of the British Government that "reports of a renewal of the Anglo-Japanese Alliance are absolutely without any foundation," we find another report in the *Japan Advertiser* in the form of a dispatch from its London correspondent, Mr. F. A. Mackenzie, which was dated Nov. 24, indicating that there *is* something to the talk of an Anglo-Japanese understanding on China questions, the report being as follows,

London, November 24.—An Anglo-Japanese understanding regarding mutual action in China is now admitted by influential quarters to be in existence. It is claimed that the understanding is limited to a full exchange of information looking to the arrival at a common policy and an agreement to enter into no arrangements with China without a mutual conference. No threat against the Chinese is implied in the understanding, which actually will work to China's own best interests. The unofficial agreement is the outcome of the visit of Count Yasuya Uchida to London during September.

The *Advertiser's* cable from London went into considerable detail by telling of the opposition of members of the Labor Party and of the fact that the United States had refused to concur in Count Uchida's scheme to form an *entente cordiale* composed of Japan, the United States and Great Britain, for the purpose of providing a united front in resistance to China's demands for treaty revision. The British Labor leaders asserted that the Anglo-Japanese private understanding "meant the virtual destruction of the Washington Convention since England and Japan are now taking a line of possible cleavage with America on the Asiatic policy." The same dispatch quoted various London newspapers such as the *London Times* and *Daily Telegraph* as favoring the Anglo-Japanese concord, but quoted the *Herald* as expressing alarm to the following general effect,

There is little doubt that something like an entente exists. The seriousness of the new move can scarcely be overestimated. It is tearing up in fact, if not in form, the Washington Convention. It is reverting in the East, as is the new Anglo-French entente in the West, to the old policy of camouflaged alliances. Anglo-American relations already are so unsatisfactory as to be strained. The effect on the Dominions, especially on Canada and Australia, may be remarkable.

Continuing, the *Advertiser's* London correspondent quoted British "officialdom" as attempting to show that the new "accord" with Japan was nothing more than an invoking of the machinery provided in the Washington Conference treaties whereby "The contracting Powers agree that whenever a situation arises which, in the opinion of any one of them, involves the application of the stipulations of the present treaty, and renders desirable discussion of such application, there shall be full and frank communicaton between the contracting Powers concerned.' In other words, an attempt was made to show that the "conversations" between Sir Austen Chamberlain and Count Uchida were "regular" and that the other Powers, that is America and France were being kept informed. But outside British diplomatic circles, to quote again from the *Japan Advertiser's* London correspondent, "the idea that the result of Count Uchida's visit is so narrowly definable, is ridiculed and it is intimated that great statemen do not pay visits to other Powers merely to suggest a re-statement of a position which already is universally accepted." Then in addition to this dispatch which appeared in the *Advertiser* on Nov. 26, there also appeared a similar report from the Japanese newspaper, *Tokyo Asahi Shimbun's* London correspondent, apparently a Japanese, who said that while the subject of an Anglo-Japanese understanding on China questions was being considered "cautiously" in official circles in London, that a considerable section of the British press was actively working for renewed cooperation between the two countries and a renewal of the Anglo-Japanese Alliance. This telegram mentioned the *London Morning Post* as a particularly strong advocate of a revival of the old Anglo-Japanese Alliance. The Japanese correspondent, however, declared that "cold facts point to the impossibility of realizing the resuscitation of another entente, the greatest drawback and risk being the loss of the sympathy and cooperation of the United States at a time when Great Britain already has aroused the antagonism and disappointment of the American people by its discussions with France for a naval compromise."

About the only other information available on the subject at this time was a *Reuter* dispatch from London on Nov. 28 which was printed in Shanghai on Nov. 30 to the following effect:

Replying to a batch of questions concerning China, the Secretary for Foreign Affairs said that the relations existing between Britain and Japan in regard to China were based on the obligations for full and frank communication specified in Article 7 of the Treaty concerning China signed at Washington in 1922 *and on the fact that Japan and Britain have much larger interests in China than any other of the Powers represented at the Washington Conference.*

The two Governments therefore, had agreed informally that the close contact they desired to maintain would be best promoted and developed by constant communication and consultation between their respective Ministers in Peking who, being each fully informed of the Government of the other colleaque regarding every new problem as it arises, would be in a position to consider whether, views of a common course of action was desirable and if not, to understand and explain the reasons of their Government for not pursuing the same course of action.

No other conversations, said Sir Austen, were proceeding with regard to China. "This arrangement is not a new departure. Similar conversations and consultations have occurred between the Ministers in Peking representing Britain and the other Powers."

"We have adhered on general lines to the British policy with regard to China laid down in our declarations of December 26, 1926, and January, 1927.

Replying to supplementary questions, Sir Austen Chamberlain stated that the British Minister in Peking had been in free communication with the representative of the United States and there had been the same consultation and co-operation with America as with Japan.

He assured Colonel Wedgwood that his answer was not news to Washington. One of his first steps on taking office was an expression of the hope that Britain and America would pursue a common policy or, at least, consult freely with regard to all matters relating to China.

Sir Austen stated that negotiations were in progress with the Chinese National Government for treaty and tariff matters and therefore he preferred at present to make no statement on those subjects. He added that no negotiations were passing on the question of extraterritoriality.

A careful reading of the italicized sentences in the foregoing *Reuter* dispatch from London, will show that it is impossible to determine from the ambiguous language whether an understanding between these two Powers exists or not. The Chinese Government is disposed to believe that no understanding, aside from that provided for in the Washington Conference agreements, exists. In an interview with foreign newspaper correspondents on Saturday, December 1, Dr. C. T. Wang, Minister of Foreign Affairs replied to a question on this point by saying, "China wants to be friendly with all nations and does not believe that Great Britain wants to share with Japan the ill-will which now prevails among the Chinese people in respect to Japan on this question of treaty revision and settlement of outstanding diplomatic questions. China doesn't believe that any nation wishes to hold out against China's legitimate aspirations and believes that Great Britain will follow up with concrete action her declarations of December, 1926 and January, 1927 and will go

ahead without waiting for Japan." Dr. Wang also stated that Sir Miles Lampson, British Minister in Peiping, was scheduled to depart from that city on Monday, Dec. 3 for Nanking for the purpose of discussing the question of treaty revision. It therefore, 'should not be long now' until the Chinese know where the British Government stands on the question of revising the tariff treaty. If the British delay the negotiations as the Japanese have done it will constitute quite definite evidence that an understanding does exist between that country and Japan. As the general treaty situation now stands, four countries have negotiated so-called tariff autonomy treaties, America, Norway, Belgium and Italy, while two of these countries, Belgium and Italy have made preliminary treaties wherein they agree to a relinquishment of extraterritoriality. In addition six other countries are now discussing the question of treaty revision. They are England, France, Holland, Sweden, Portugal and Denmark. Japan has refused to come to any agreement with China either on treaty revision or on the settlement of outstanding questions, and Spain has thus far failed to reply to China's request for treaty revision, despite the fact that the Spanish treaty has expired. Neither Germany nor Russia have been included in the foregoing classifications because both have made "equal" treaties, the German commercial treaty being of recent negotiation and as a result of which the German Republic has stationed a diplomatic representative in Nanking.

Since chief interest now centers on Britain's action in respect to revision of the tariff treaty, it is of value to review briefly Britain's previous declarations on this subject as announced on December 26, 1926 and on January 29, 1927. The first Note was addressed to the other Powers which participated in the Washington Conference and after reviewing the changes which had taken place in China since the Washington meeting, said,

> "The British Government thus recommends that the Powers would immediately make it clear that they are prepared to go as far as possible in meeting the legitimate aspirations of the Chinese people and should abandon the idea that the economic and political development of China can only be secured under foreign tutelage and should declare their recognition of her right to enjoy tariff autonomy as soon as China has herself adopted a national tariff law. They should expressly disclaim any intention of forcing foreign control upon an unwilling China and should recognize the essential justice of China's claim for treaty revision—and should modify their traditional attitude of rigid insistence on the strict letter of treaty rights. During the possibly longer period of uncertainty the Powers should adopt an expectant attitude and endeavor so far as possible to promote development in conformity with the realities of the situation so that ultimately when treaty revision becomes possible it will be found that part at least of the revision has already been accomplished on satisfactory lines. Therefore, it is recommended that the policy of protesting over petty occurrences should be abandoned and diplomatic protests be reserved for major matters when vital interests are at stake."

The British declaration of January 29, 1927 was of even more far-reaching character than the declaration of December 26, 1926 for it expressed Britain's desire for a strong, united, independent, orderly and prosperous China; expressed Britain's desire to contribute to the attainment of China's desires by meeting China half-way in respect to the relinquishment of "special rights" proportionately as the Chinese Government is in a position to assure Britons the enjoyment of ordinary rights of foreigners in China; recognized the antiquated present treaty situation; declared Britain's readiness to recognize the Chinese law courts as competent to try cases affecting British plaintiffs and complainants and to apply Chinese law in British courts; to make British subjects liable to regular Chinese taxation; to enter into local arrangements for the amalgamation of the administration of British concessions with the adjacent Chinese areas under Chinese control provided the Chinese assured the British communities some voice in municipal matters; and finally welcomed and reciprocated the Chinese desire for a settlement of treaty and cognate questions on a basis of economic equality and mutual respect for each other's political and territorial sovereignty.

Mr. Cunningham and the Future Status of Shanghai!

MR. E. S. CUNNINGHAM, the American Consul-General at Shanghai, is also chairman of the local foreign Consular-Body and as such is supposed to have considerable to say regarding questions pertaining to the future status of the International Settlement. As American Consul-General he is directly responsible for the carrying out of American policy in respect to the future status of the International Settlement, and as chairman of the Consular-Body he has a moral responsibility in respect to the carrying out of the policies of the other foreign governments. The reasons for this situation is that Mr. Cunningham by virtue of his position, becomes the spokesman of the Powers as here represented in dealings with the Chinese Government. The Shanghai Municipal Council, which is elected by the local tax-payers (foreign) has done considerable talking in the past regarding its independence of foreign restraint as exercised by the Consular-Body acting on behalf of the Powers concerned in this Settlement. But despite the talk, it has been shown, over and over again, that the Powers always have the last say and the Municipal Council, whether it likes it or not, must concur in the Powers' recommendations. The reason for this is that the expense of protecting foreign residents here in times of crisis always devolves upon the foreign Powers because Shanghai has never been able to protect itself. Last year the Powers landed approximately 40,000 armed troops at Shanghai and a considerable number of these forces are still here, constituting a heavy burden of expense for the tax-payers in the countries whose troops are here represented. It was stated in the British House of Commons a few days ago that the total expense of the British forces sent to China up to the present was £4,500,000. This is equivalent to approximately G.$22,500,000 in American currency and about $50,000,000 in Chinese money. The cost of the American, Japanese, Italian and other troops and marines is not known, but probably would approximate the British expense, or $50,000,000. This makes the total expense of the various expeditions somewhere in the neighborhood of $100,000,000 in Chinese currency and while it would be difficult to say how much of this money was devoted to the protection of Shanghai it probably would be correct to say that three-fourths of it, or $75,000,000 went to the protection of the 40,000 (including 20,000 Japanese) foreign residents and their properties at Shanghai.

These figures are cited for the purpose of showing the Powers' responsibility for what takes place at Shanghai and as such will serve as an introduction for what is to follow. A few days ago, *Reuters*

cabled to Shanghai a brief summary of a speech which was delivered by Sir Laming Worthington-Evans, Secretary of State for War in the British Cabinet. This speech was delivered before the annual dinner of the China Association in London and according to *Reuter's* report the British War Secretary stated,

> "While the Shanghai Defence force was being decreased the local forces would have to be increased and made sufficiently strong to be able to do a great deal more in their own defence in a moment of emergency. The Government, he emphasized, was not complaining at present, but felt that what could be done locally should be done, and it was up to those, with great interests in China, to do what they could."

This statement received considerable attention here because it constituted definite warning from England that the British Defence Force is shortly to be withdrawn. The actual number of British troops here is now thought to be about 2,000. The American Marines are down to about 1,000 and according to rumor are all to be withdrawn by next March. The number of Japanese marines stationed (or concealed) here is not known, but obviously the Japanese will not be able to keep their forces here much longer after the British and American forces have been withdrawn. From the standpoint of the Powers, Shanghai is thus back, or shortly will be back to normalcy from the standpoint of depending upon its own resources for protection. In the meantime the Chinese Government has also progressed toward normalcy from the standpoint of the local administration. Aside from the usual (or unusual) crime situation, Shanghai is peaceful and has been peaceful since the spring of last year when the Nationalists occupied this area. All of the barbed-wire has been removed and the Chinese and foreigners are again speaking and dining with each other.

So much for that! Now to get back to Sir Laming Worthington-Evans and his remarks about the future protection of Shanghai—and also to Mr. Cunningham and the future status of the International Settlement: The British Secretary of State for war stated in his speech that since the British troops are shortly to be withdrawn, it is "*up to those with great interests in China to do what they could.*" Just what he meant by that statement is not known, but the *North-China Daily News*, the official British newspaper here took that statement for a text and the ensuing discussion had several interesting ramifications which are of vital interest to all foreign residents because of their bearing on the future relations of Chinese and foreigners at Shanghai as well as throughout China. We repeat the statement, "throughout China" because most of the troubles which have been experienced between Chinese and foreigners in China since 1925 have had their beginnings at Shanghai. A prominent foreign resident in Nanking in an address in Shanghai a few weeks before the Nanking incident last year stated, "We have no fear regarding the situation in the outports so long as nothing happens at Shanghai." This statement reflects the feelings of most foreigners residing in the interior of China, hence all foreign residents of China regardless of where they live, must be interested in the relations of the Chinese and foreigners at this city, the commercial and financial metropolis of the country.

The discussion of the matter of Shanghai's future protection which appeared in the official British newspaper here is therefore important, because it indicates that certain moves are being made behind the scenes in preparation for the next meeting of the Shanghai Ratepayers (tax-payers entitled to vote in municipal elections) on this question of protection. The editor of the *North-China Daily News*, in his discussion of this subject, first explored the possibilities for increasing and making more efficient the local Shanghai Volunteer Corps. It was stated that this force now approximates 2,000 men and that difficulty is being experienced in obtaining more recruits, in which connection it was suggested that some practical form of conscription might be adopted by forcing employes of foreign firms to sign a contract to serve with the Volunteers for a term of five years. In view of the obvious impossibility of putting such a scheme in force, the matter of increasing the White Russian (paid) Volunteer force was explored. This force, composed of former soldiers in the Russian White Guards, (counter-revolutionaries) now consists of two companies which have been recruited, trained, uniformed and armed by the Shanghai Municipal Council. Since they are paid a regular salary they are not strictly "volunteers" although they are labeled as such in the Municipal reports. It was stated, however, that it would not be safe to further increase this force because of the possibility that Russian "red" elements might find their way into the ranks, a suggestion by the way, which brought a "hot" reply from the local White Russian newspapers.

From this point the editor of the official organ then considered other means of providing a defence force for Shanghai after the withdrawal of the fareign troops and made the following significant suggestions,

> "*Therefore, if there is to be a gendarmerie it must be composed of men who have escaped contact with Red influ nce, At the same time, to be within the bounds of practicability, the gendarmerie must be inexpensive, and in the circumstances it would be well worth considering those very fine forces organized in places such as the Sudan, Somaliland or Kenya, where the natives, under British officers, have proved their worth as disciplincd loyal troops. If we are not to have a sufficiency of volunteers or defence material from other sources, it is well to bear in mind the possibilities that exist in the direction just mentioned.*
>
> "Actually, it is believed, the cost of a *gendarmerie force consisting of such people* would be less than the sacrifice entailed in terms of money by firms devoting part of their employees time to perfecting themselves in the science of local defence. We feel, however, that it would be unworthy of the traditions of Shanghai to adopt such a measure as the main principle of the protection. It is true that we should always have a Volunteer Corps, but what we need is a Corps of such numbers and efficiency that whatever happens, whether we have gendarmerie or not, it can be relied upon to do everything that even an exacting authority such as the British War Office may demand. Very probably the solution of our difficulties will be found in the inclusion of a gendarmerie among our local forces as well as a greatly increased and infinitely more efficient Volunteer Corps."

The implication here is very plain as the italicized sentences indicate. In other words, whoever inspired the editorial in the *North China Daily News*, would have the Shanghai Municipal Council make financial preparations for bringing to this city a *gendarmerie*

or standing mercenary army composed of African negroes for the purpose of protecting the white population here against possible violence at the hands of the Chinese. This is where the suggestion regarding Mr. Cunningham, the American Consul-General and chairman of the Shanghai Consular Body comes in, because as official representative and spokesman of the foreign Powers, he must be interested in this question. It requires no elaboration on our part to suggest the possible reactions of the Chinese Government and people to this proposal. For long the Chinese have protested against the bringing of British Indian Sikhs and French Annamites to this city; therefore there can be no questioning the possible reactions of the Chinese to this new proposal to bring an army of African negroes to this city for protective purposes. Whatever Sir Laming Worthington-Evans had in mind, he couldn't by any possible stretch of the imagination have meant African negroes when he urged British interests here to do what they could to protect themselves! We do not for a minute believe that the British Government would countenance such an action and we know the American Government would not. As for Japan, the other Power possessing large interests here, there is even less likelihood of their agreeing to such a proposal. The Japanese have always been able to do their own fighting without bringing in mercenaries and have enough trouble on their hands already without aggravating the situation by agreeing to such a foolish proposal.

There isn't much more to be said on the subject, except a review, briefly, of the Powers, announced intentions in respect to the future status of the International Settlement. On January 29, 1927, Sir Austen Chamberlain, Minister for Foreign Affairs of Great Britain, in a Note addressed to the Peiping and Southern Chinese Governments declared,

> "Britain is ready to enter into local arrangements, according to particular circumstances, for the amalgamation of the Concessions with the adjacent Chinese areas under Chinese control or other method of handing over the administration to the Chinese while assuring the British communities some voice in municipal affairs."

Since America holds no concessions in China, Secretary of State Kellogg made no general declaration on this subject in his Notes to the Chinese Government, but he did say in reference to Shanghai that

> "The American Government will be ready for its part to become a party to friendly and orderly negotiations properly instituted regarding the future status of Shanghai."

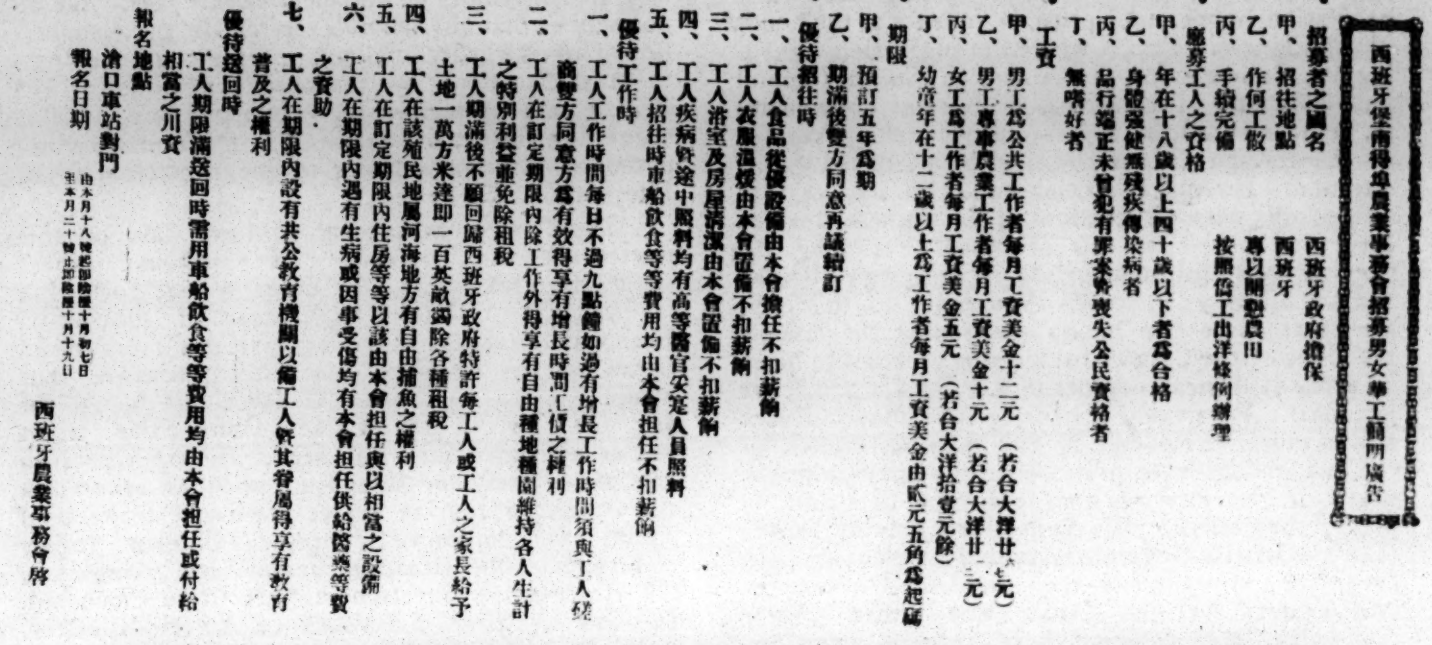
This statement was made in an address by Dr. Stanley K. Hornbeck, chief of the Division of Far Eastern Affairs of the Department of State, dealing with American policy toward China which was delivered before the American Academy of Political and Social Affairs at Philadelphia last July. We do not believe that any possible stretch of the imagination of any allegedly intelligent person could read into these declarations by responsible officials of the British and American Governments any possible suggestion for the utilization of a gendarmerie composed of African negroes in the protection of the International Settlement.

There is a great deal of loose talk on this matter of the "defence" of Shanghai which should be cleared up. In other words, Just what is Shanghai to defend itself against? Obviously, Shanghai cannot be defended against the organized forces of the Chinese Government, because that would require an army at least the equal of any army which the Chinese authorities might station or move into this area. During the crisis last year, President Coolidge issued an order that the American Marine forces were not to be used against any "organized" force of Chinese troops and in case the situation became too dangerous, the American residents here were to be evacuated. In view of these indications of American policy, it is obvious that the American Government would not sanction American participation in the organization of a standing army at Shanghai. But if, on the other hand, the "defence" of Shanghai is to be interpreted as protection against mob violence, then what Shanghai needs is not an army, but a well-organized and efficiently managed police force. One of the leading foreign officials here, whose name we are not permitted to meution at this time, recently expressed the opinion that Shanghai's present troubles in connection with crime suppression are due to insufficient police and to lack of efficiency in the police department. Therefore, instead of talking about a gendarmerie or "organized force" for the defence of Shanghai, Shanghai residents ought to turn their attention toward the strengthening and reorganization of the police department. This is where the money ought to be spent and where the best possible talent ought to be employed. What the Shanghai Municipal Council should do is appoint an international commission to make an investigation oi the question of police protection in this city. The crime situation which has prevailed here for many months and the internal squabbles which are taking place in the Police Department indicate that something is wrong that ought to be corrected. If the *North-China Daily News* keeps on talking about the "defence" of Shanghai, it might inspire the Powers to make an official investigation to determine just what it is certain interests here desire to have defended—dog-racing, special privileges of a few cliques or a few other things—which the Powers might decide are not worth defending if by so doing they are likely to incur the ill-will of the Chinese people!

Spanish Colonial Adminstration Recruits Chinese Laborers at Tsingtao

A KUO MIN telegram from Nanking last week briefly mentioned that an application by the Spanish Legation to open an office in Peiping for the enlistment of 20,000 Chinese laborers to be transported to Spanish colonies in North and West Africa for colonization purposes had been rejected by the Special Municipality of Peiping. The telegram added that when the intention of the Spanish authorities first became known some time ago the Ministry of the Interior and the Ministry of Foreign Affairs jointly issued a circular order prohibiting Chinese laborers from enlisting for colonization purposes by any foreign government without sanction from the Nationalist government.

Behind the above information there is quite an interesting story. Having been thwarted in their attempts to enlist Chinese laborers in the Tientsin area, the representatives of the Spanish government



西班牙堡南得埠農業事務會招募男女華工簡明廣告

一、招募者之國名　西班牙政府擔保
甲、招往地點　西班牙
乙、作何工做　專以開墾農田
丙、手續完備　按照僱工出洋條例辦理

二、應募工人之資格
甲、年在十八歲以上四十歲以下者爲合格
乙、身體强健無殘疾傳染病者
丙、品行端正未曾犯有罪案喪失公民資格者
丁、無嗜好者

三、工資
甲、男工爲公共工作者每月工資美金十二元（若合大洋廿七元）
乙、男工專事農業工作者每月工資美金十元（若合大洋廿二元）
丙、女工爲工作者每月工資美金五元（若合大洋拾壹元餘）
丁、幼童年在十二歲以上爲工作者每月工資美金由貳元五角爲起碼

四、期限
甲、預訂五年爲期
乙、期滿後雙方同意再議續訂

五、優待招往時
一、工人食品從優設備由本會擔任不扣薪餉
二、工人衣服溫煖由本會置備不扣薪餉
三、工人浴室及房屋清潔由本會置備不扣薪餉
四、工人疾病資途中照料均有高等醫官妥定人員照料
五、工人招往時車船飲食等等費用均由本會担任不扣薪餉

六、優待工作時
一、工人工作時間每日不過九點鐘如過有增長工作時間須與工人雙
商雙方同意方爲有效得享有增長時間工價之權利
二、工人在訂定期限內除工作外得享有自由種地種園維持各人生計
之特別利益並免除租稅
三、工人期滿後不願回歸西班牙政府特許每工人或工人之家長給予
土地一萬方米達即一百英畝竭除各種租稅
四、工人在該殖民地屬河海地方有自由捕魚之權利
五、工人在訂定期限內住房等等以該由本會担任與以相當之設備
六、工人在期限內遇有生病或因事受傷均有本會担任供給醫藥等費
之資助
七、工人在期限內設有共公教育機關以備工人弟其得屬得享有教育
普及之權利

七、優待送回時
工人期限滿送回時需用車船飲食等等費用均由本會担任或付給
相當之川資

八、報名地點
濟口車站對門
報名日期　由本月十八號起即陰曆十月初七日
至本月二十號止即陰曆十月十九日

西班牙農業事務會啓

Fac-simile of Circular Issued by Spanish Colonial Office to Recruit Chinese Laborers in Shantung Province

have now turned their field of operations to Shantung, where, doubtless, they hope to overcome any difficulties which the Chinese authorities may throw in their way by making use of the Japanese influence in that part of China. In fact a recent issue of the Tsingtao *Times* stated that the ship with its cargo of coolies was leaving the near by port of Tsangkow on December 4. Thus is Chinese officialdom flouted in the Japanese controlled area!

There is printed herewith the original of a Chinese circular which is being widely distributed throughout Shantung province with Tsingtao as a center. The circular states that it is issued by the "Department of Agricultural Affairs of Fernando Po (Spanish African colony)" for the purpose of enlisting Chinese laborers—both men and women. The circular goes on to say that wages at the rate of twelve gold dollars a month are offered for males employed on public works, ten dollars for males on agricultural work, five dollars for females who work and $2.50 (all gold) for children more than twelve years of age. The laborers are to receive free food, free clothes, free rooms and bath, free medical attention, and free passage to Africa and back on a five-years' contract, food free from the date of enlistment. Various other inducements are offered. A laborer who does not care to return to China after the completion of his contract can take up a piece of land of about 100 acres, on which he need pay no taxes. Among other advantages that are held out is that the laborers who enlist will have free fishing privileges in the colonial possessions of Spain.

Thus once more is brought to public attention the question of the emigration of Chinese laborers to foreign countries under contract labor conditions. The Chinese governmental authorities object to these contract labor schemes for a number of reasons. One of them is that the idea of their subjects going abroad under contract for a term of years savors too much of slavery days. Once the laborers are under a foreign flag, far away from home, the Chinese government can do little to help them provided they are mistreated, although as a matter of fact the individual self-consciousness of the Chinese individual has been developed so much since 1914 that no employer is likely to "get away" with anything in the way of harsh treatment, as the present-day Chinese coolie is not without means of making things very uncomfortable for his employers if they do not treat him decently.

The assiduity and stability of the Chinese coolie has gained him world-wide renown. In the "good old days" American capitalists recruited coolies in China on somewhat similar terms to those which the Spanish colonial authorities are now offering. The great trans-Continental Union Pacific railway was largely built by Chinese contract labor, and descendants of those coolies are now to be found in the United States as wealthy merchants and large landowners. One of them several years ago visited his relatives in China while his estate in Montana was being managed in his absence by a white overseer who had under him six white farm laborers, and no Chinese. Descendants of coolies who went to far-away British and other possession more than half a century ago are now back here in China and are among the pioneers in modern industry and liberal government.

Modern American legislation has, of course, stopped contract labor of all kinds and has also prohibited the influx of the Chinese coolie into the country entirely, for no other reason than that he has proved himself too efficient—a more capable producer of brawn per unit of food consumed than the native American.

The most "successful" of Chinese labor emigration schemes abroad was that pursued in 1904 when shiploads of Shantung and Pechili laborers were sent to the Witswaterrand goldfields of South Africa. There were a few disturbances, but on the whole the coolies were well-treated and well satisfied with their pay. The reason why the experiment has not been repeated is simply that the British laborers themselves and the white population of Africa generally insisted that bringing in such labor was unfair to the resident population, and since that time the laws of the South African states prohibit the importation of Chinese workmen.

Another experiment of enlisting Chinese laborers for work abroad carried out a few years later than the above-mentioned one ended in a scandal with ramifications in many directions. A Russian firm which made a fortune at Port Arthur before and

during the Russo-Japanese war extended its business in other directions after that stronghold fell into Japanese hands. Among the operations it engaged in was the shipping of Chinese coolies abroad and it proceeded to do it under false pretences in a number of directions. It bought an old French ship and gave it another name. It then delegated one of its British employees to go to the British shipping office in Shanghai and make affidavit that "sixty-four-sixty-fourths" (which is the term employed in the British shipping laws) of the shares in the ship were owned by British subjects. As a matter of fact, as proved in subsequent court proceedings, the ship was entirely Russian owned, but the British authorities registered the ship as British. The Russian owners of the ship, now named the *Maori King*, proceeded to enlist Chinese coolies for employment abroad under false pretences. They were deceived as to their destination and in many other ways. The result was a hue and cry that was heard round the world. The British authorities made investigation as to how a British ship came to be employed in such a trade, Proceedings were instituted in the Supreme Court in Shanghai for the confiscation of the ship. The case was of such importance that the Russian owners induced the aged dean of the British bar, who had retired long since and had not appeared in court for a decade, to conduct the defence, which lasted a week. The result of the proceedings was that the presiding judge ordered the ship confiscated. The Russian owners appealed to the Privy Council, and one has always a suspicion that the Russian government had brought sufficient pressure to bear to induce the highest British judicial authorities to reverse the decision (on a bare technicality as to the extent of "British waters"), holding that the Shanghai court had no jurisdiction. So the Russian firm got its ship back, but without the British flag.

This rehearsal of an old case is pertinent at present because of the fact that the Spanish ship has been lying in north China waters for some time waiting to take its cargo of coolies, and it is a prominent British firm in Tsingtao that has worked together with the Spanish representatives in enlisting the desired laborers.

Customs Administration Head Discusses New Ta-iff

Questioned on the new customs tariff by Chinese journalists recently, Chang Fu-yung, the head of the Customs Administration, is reported by the new *Kuo Wen* agency to have said that the new tariff has already been drawn up and would be announced shortly. However customs autonomy would not be declared on January 1 and customs autonomy could in any event only be enforced two months after the announcement of the new tariff; this would give reasonable time for foreign merchants to adjust their business transactions. Under the new tariff according to Mr. Chang's calculation, the government expects to realize an additional income of Tls.30,000,000 in the year.

Ministry of Health on Trail of Patent Medicines

Hsueh Tuh-pi, Minister of Health, recently issued an order that in future no patent medicines are to be allowed to be sold or advertised until they have been subjected to a laboratory examination. A reference to the Chinese Maritime Customs statistics for last year shows that a total of more than six million taels worth of "medical and phramaceutical preparations: chemicals and chemical products, not otherwise recorded" are imported annually. More than two million taels worth comes from Japan, with amounts something under a million from Germany, the United States and England; and smaller amounts from other countries.

One Death, Many Arrests, In Connection With Coronation In Japan

While there is no evidence at hand that there were the serious clashes between police and workers in Japan, at the time of the Coronation, that were reported by the *Kuo Min* News Agency a couple of weeks ago, it is clear that there were a great number of arrests, at least one fight between demonstrators and police, and at least one suspicious death of a labor man in prison.

The death is that of a member of the Miye Labor Union, named Ozawa, in the police station at Tsu, he being one of several arrested and detained before the Emperor's visit to this locality. The others were released, but Ozawa was dead, the police claiming that he died from a heart attack resultant from beri-beri. Labor men are much aroused, claiming that he was killed by the police.

In this connection, the massacres of radicals and labor men, as well as Chinese and Koreans, in Tokyo at the time of the great earthquake, will be remembered. All of the Japanese killed by police at that time were murdered at police stations after submitting to arrest. That labor men should now be suspicious is not to be marveled at.

Something Has Happened

It seems likely that there have been some serious incidents, though not of the magnitude reported by *Kuo Min*. The number of arrests and raids reached into the hundreds, and in view of the fact that there was an enormous increase in police precautions between the beginning of the Coronation celebration and its end, it is clear that something of unexpected seriousness has occurred. While on November 7th the streets were well guarded, and admission to the Palace grounds was only by ticket, there were no such excessive restrictions as were noticed later, when guests with tickets were searched and even their lunches carefully inspected.

Great numbers of people, as far away as Kobe, were stopped and searched. Japanese papers reported that some arrests in Osaka resulted in the finding of bombs. Seditious leaflets were discovered by police in Tokyo and elsewhere. A collision in Kishu created temporarily a serious situation and the reinforcement of the police to deal with the affair.

It is suggested that much of the disaffection is due not so much to actual opposition to the Emperor as to the enormous expenditure on the Coronation ceremonies at a time when there is such serious unemployment in Japan.

British Bishop Speaks of Contempt of Western World for People of Other Colors

The Bishop of Litchfield at a recent missionary convention at York, England, speaking of the call of the Churches to deal with the problem of "the Oriental dispersions," said that there were some 8,000 young students from India, China, Japan, and Africa in Western educational institutions, about 5,000 of them being in British universities. Then there was an immense tide of emigrants from the East, estimated at 3,000,000 from India, 9,000,000 from China, and 1,000,000 from Japan. These facts pointed to a steady outward unification of the world arising from scientific and material developments. In regard to students from the East he said that much had been done by the Student Christian Movement and by other agencies for their welcome and welfare, but it was to be feared that most of those students returned to their own countries not so much as allies but as enemies of the Christian cause. They came to England as ardent nationalists and found that people did not understand and certainly did not care about their aspirations. They knew that Chirstianity preached the equality of nations and races in the sight of God, but found among Westerners a kind of contempt towards men and women of another color. They saw Europe's slums: social dissensions, and the flagrant immorality of certain sections of European society, but the Western world had not shown them as it might have done the real glory of the Christian Life.

Referring specially to the Indian immigrants in various parts of the British Empire, the Bishop said that they were largely brought from their own land by the exigencies of modern industry. They labored under some kind of indenture; rights were denied to them, they were often miserably housed, and although things were better than they used to be one had only to read Mr. Grimshaw's testimony at the Jerusalem Conference to learn that exploitation, merciless and conscienceless, was by no means dead. "What a tragedy it was that when we were beginning to attain to better things in our industrial life at home we were transmitting to Eastern countries the worst features of the abominable conditions of our own industrialism as they existed sixty years ago? While we were slowly recovering from the sickness of an acquisitive society, we were transmitting this poison to other lands, the Bishop added.

Lamont and Sze Differ on Extraterritoriality

(New York Times, Nov. 10)

Divergent views on the abolition of extraterritorial rights for foreigners in China were voiced by China's Minister to this country, Dr. Alfred Sze, and by Thomas W. Lamont of J. P. Morgan & Co., both of whom spoke at the annual dinner of the China Society of America in the grand ballroom of the Plaza, New York on the evening of Nov, 9.

Mr. Lamont warned that early abolition of the treaties would not simplify the way to a sound form of democratic government in China. Dr. Sze expressed the confidence that the Chinese would obtain "without undue delay, as far as the American Government is alone able to give it, that full freedom from foreign control to which they believe themselves so justly entitled."

"I may add," Dr. Sze continued, "the Chinese value the friendly acts of the American Government not only because of the good-will thus manifested and the substantive value of the acts, but because they indicate to the other powers the expediency as well as the justice of similar acts upon their own part."

Mr. Lamont had previously expressed the hope of delay in abandoning the treaties by which foreigners are tried in their own courts in China "until China's own tribunals are established on a firm basis."

Dr. Sze told of the progress made by the Nationalist Party in conquering Peking and establishing its Government in Nanking. He expressed appreciation of the recent de jure recognition by the United States. He stressed the futility, unwisdom and injustice of foreign nations in attempts "to hinder or prevent a nationally-minded and politically self-conscious people from obtaining for themselves that independence and political development which they conceive to be theirs of legitimate right."

Sees Move for World Peace

He described the rise of Nationalism in China as an aid to world peace. He told of the curbing of militorism and the rise in its place of the feeling that strong military power must be used only to win for China independence from foreign control. In describing China's financial situation Dr. Sze described recent efforts toward economies, toward payment of the public debt and toward curtailing "undue military expenditures." He told of the forming of budget and finance reorganization commissions.

Dr. Sze dwelt on the progressive measures already under way in China, reporting the improvements in developing educational, economic and cultural interests. Telegraph and telephone systems, road building and domestic and import trade are improving, he said, and the Government and private organizations are at work on the abolition of the opium traffic, which "will be progressively reduced until the evil is entirely wiped out."

"Among the other constructive movements or forces now operating in China," Dr. Sze said, "which furnish the basis for the optimism I am expressing, especial note should be made of the Mass Education Movement which constitutes in my opinion one of the most remarkable movements that educational history records in any country of the world."

He declared that the present situation in Manchuria was not satisfactory to the Chinese.

"For approximately three centuries," he continued, "Manchuria has constituted an integral part of China, and for years its three great provinces have had the same status as other and older provinces.

Says China Asks Only Justice

"China does not ask of foreign powers that they should extend to her more than justice. But in order that these foreign powers may perceive what this justice includes it is necessary that they should have an intelligent as well as a sympathetic understanding of the situation in China.

"The new China is, in truth, a newborn State, and it may exhibit some of the characteristics of extreme youth. But, whatever its present youth, China has one sterling quality, it is growing and will continue to grow. Its movement will become better coordinated, the manifestations of its will more formal and authentic, and its national strength more impressive."

Lamont Tells of Difficulties

Mr. Lamont enumerated some of the "concrete difficulties facing those in authority in China today," mentioning reconciliation of opposing factions and the demobilization of soldiers, reconstruction and the formation of a new Government, "one that will gradually make its beneficent authority felt throughout that wide region even greater than the United States."

"I am not attempting to paint a gloomy picture of what China faces, but rather emphasizing to an American audience the points which I feel sure my Chinese friends already realize only too well," he continued. "Some of China's well-meaning but ill-informed friends in America have talked as if the root of China's trouble lay in the so-called unequal treaties, and that if the treaties could be abolished, the way to a sound form of democratic government would be simple."

Nothing could be further from the truth, he said, for during the last 150 years the ancient Chinese Empire has been breaking up.

"Already we can congratulate our friends upon certain steps they have taken," he said. The recent economic conference at Nanking gave encouraging evidence that the statesmen of new China and the bankers and industrialists called into conference with them had realistic understanding of the problems of their country and some practical and hard headed ideas for their solution.

"If the report is correct that the Nanking Government is even now engaged with representatives of Japan in composing the questions that have arisen over treaty rights in Manchuria, having to do chiefly with economic questions, that again is cause for hearty congratulation.

"I understand, also, that the new government in China has invited the League of Nations to send one of its experts to examine certain aspects of the situation. Along the same line is the invitation extended to such eminent Americans as General Harbord and Owen Young to give the benefit of their counsel to China.

"I am confident that the Chinese leaders will see to it that the new Government fulfills its obligations, be they in the form of justly contracted debts or of treaties. China can perhaps hardly expect the sudden abolition of the so-called unequal treaties; but certainly she is entitled to expect such revision of past treaties as will most surely and quickly contribute to her domestic restoration."

General James G. Harbord presided. Chao Chu Wu special envoy of the Chinese Nationalist Government; Yu Chuen James Yen, director of the Chinese Mass Education Movement, also spoke.

Trade Inquiries

The following trade inquiries have been received at the office of the U.S. Trade Commissioner, Canton road, Shanghai.

Combination Fountain Pen and Pencils:—A New York firm manufacturing a combination pen and pencil and also desk sets, wants to get into touch with local dealers interested in such commodities.

Oil Machinery:—Manufacturers of oil press outfits for the extraction of the China market.

Battery Supplies and Equipment:—A firm manufacturing a complete line of battery supplies, parts and equipment wishes to secure a reliable distributor in China.

Roofing:—A firm manufacturing an asbestos fibre roofing in both liquid and plastic consistencies for preserving and repairing roofs of all types, is seeking a distributor in China.

Moving Picture Projectors:—Manufacturer of various types of motion picture projectors, would like to find an agent in China.

Electric Spraying Machines:—Exporters of electric spraying machines are anxious to find an agent in China to handle this line.

Steel Equipment:—Manufacturers of steel building specialties such as bathroom cabinets, mirrors with steel frames, steel refrigerator cabinets for apartment house use, etc., are seeking a distributor in China.

Radio Amplifier:—Manufacturers of radio amplifiers are anxious to enter the China market.

Construction Supplies:—Manufacturers' agents wish to find a representative in China for their line of construction supplies, such as bathroom light fixtures, pipe and fittings, etc.

Railway Track Appliances:—Manufacturers of railway equipment including hand cars, push cars, rail cars, gasoline section motor cars, gasoline motor inspection cars, etc., are seeking suitable agents in China.

Lubricating Grease:—A New York firm of producers of lubricating grease is desirous of forming some connections in China for the sale of its product.

Woodworking Machines:—A firm of manufacturers is anxious to introduce its line of bench woodworking machines in China.

Oil Jobbers Equipment:—Manufacturers of oil jobbers equipment for the handling of petroleum and its products, wish to get into touch with a sales representative or wholesale house handling this type of equipment.

Storage Batteries, Parts and Accessories:—Suitable representatives wanted by a firm manufacturing a complete line of storage batteries, parts and accessories.

Soda Fountains:—A New York firm is seeking a market in China for its line of Soda Fountains.

Vacuum Cleaners, Washing Machines, etc:--An East Coast firm is seeking suitable distributors for its vacuum cleaners, washing machines and portable electric blowers.

Pumps:—Manufacturers of Hand and Power Pumps are seeking connections in China.

Obstacles Towards Tariff Autonomy*

BY KAN LEE

Mr. Yada, the Japanese diplomatic representative, in a recent interview published in the Chinese press, reiterated the position which Japan has taken for the last few years regarding Chinese tariff autonomy. Japan's position, in essence, is this. Japan, its spokesmen say, agrees in principle that tariff autonomy should be restored to China. But, since Japan's industrial and commercial interests are closely woven to the Chinese, assurance must be had as regards three things: first, reciprocity agreements must be concluded between China and Japan prior to the promulgation of the Chinese general tariff; secondly, the increased revenue from the new tariff, or an essential part of it, must be earmarked for the repayment of certain inadequately secured Japanese loans; and thirdly, *likin*, must be done away with.

Japan, of course, has a perfect right to name its own terms. But, when these terms are more than sufficient to defeat the only purpose that China has in view, the case is worth looking into. Japan's terms are merely a subtle way of saying to China: "Tariff autonomy, No!" Conditional upon the fulfillment of these terms, an autonomous tariff cannot obtain. Autonomy means the right of self-government; and the right of self-government must either be absolute, or nothing. An autonomous tariff must not be conditional, and a conditional tariff cannot be autonomous. Conditions and tariff autonomy, in short, cannot be co-existent. If Japan is sincere in its declaration that it favors, in principle at least, the restoration of tariff autonomy to China, her demand for the fulfillment of certain conditions is an apparent contradiction to her avowed good intentions. On the other hand, if Japan has no genuine sympathy towards the Chinese aspirations, she should at least have the open-mindedness and courage to say so.

The Question of Likin

Let us examine the Japanese terms more closely. Regarding the question of *Likin*, it may be remembered that *Likin* is an internal transit tax. The evils of *Likin* are of common knowledge, and here no repetition is necessary. Its injurious effects, however, cannot be felt any keener by the foreigner than the Chinese, who are as anxious as any foreigners, if not more so, in demanding its abolition. Being an internal impost, nevertheless, it must be clear that it can bear no direct relationship to the problem of customs tariff. To put any connection between the two, as the Japanese have done, is at least inadvertent, if not actually inappropriate. The tariff pacts which China only recently concluded with the United States, Norway, and Belgium, in making no specific reference to *likin*, have set the examples for the other Powers, including Japan, to follow.

To use the proceeds from the anticipated increase in customs revenue, after the promulgation of the general tariff, for the repayment of inadequately secured Japanese loans, presents even a more serious case. The expectant increase in tariff revenue, under a new tariff schedule, cannot, according even to the most optimistic estimate, be over one hundred million dollars a year. The total of inadequately secured foreign loans contracted by the former Peking government is about one billion dollars, of which a substantial part are Japanese. In case the increased customs revenue should be earmarked for the repayment of the interest and the principal of these loans, therefore, practically nothing can be left over for other uses.

The Old Loans

We do not propose, in this article, to deal with the larger question whether the various loans of the Peking government, well-secured or not, should, or should not, be recognized by the National government. Nor do we propose to discuss in detail the nature of these loans, many of which were contracted by the then existing northern government in order to crush the then growing People's cause, which the National Government represents. In general, we may lay down the principle that, although loan repudiations are not infrequently found in the history of various nations, such processes tend to hurt irreparably the credit of a nation, and are most injurious to a new country whose immense reconstruction schemes require huge capital outlays, the most covenient method in raising the same being through foreign loans.

The time and the manner in which foreign loans are to be repaid, however, are matters that require judicial discrimination. The important questions before us are what loans are to be repaid first, and how, and when. After all, a country is not judged by its neighbors by its ability to pay off foreign loans, but by the stability and soundness of its political, economic, and social institutions. The duty of the government is to see that peace and order are maintained. Where security is, prosperity follows. To facilitate the repayment of foreign loans, it is necessary for the government to apply its available funds to the most important and urgent uses. Of which in China there are many. Many tracts of arable land still lie waste, for the lack of capital for economic development. The means of communication are poor. Many rich mines are yet unexplored. To earmark the expectant increase in customs revenue, one of the surest resources for the national treasury, for some secondary and non-immediate uses is to deprive the nation of a large amount of fund for economic reconstruction and development. As such the Japanese proposal must be condemned.

A Form of Indirect Taxation

After all, customs tariff is but a form of indirect taxation. Although the incidence of import duties remains, and must remain, a perplexing problem, it may be safely stated that in the majority of cases the tariff duties are borne by the consumers of imported commodities. The import duties of China, therefore, are as surely paid by the Chinese people as land tax, excise, or a capitation levy. What would the Chinese people say if any of these latter taxes are to be levied merely for the purpose of repayment of inadequately secured Japanese loans, contracted how and for what no one seems to know?

The demand for reciprocity agreement stands in a better light. It is a permissible international usage that, after the enforcement of a general tariff, reciprocity agreements may be entered into with other nations, mutually agreeing to reduce the import duties on certain commodities of a specific nature. Theoretically, reciprocity agreements, in lowering the tariff will on particular articles of commerce, have the effect of giving a healthy stimulus towards the development of international trade, thus effecting a better and more thorough system of territorial division of labor. It is on this ground that the League of Nations, in a recent pamphlet, endorses unequivocally the unconditional interpretation of the so called "most-favored-nation" clause, the essential reason being that such an interpretation tends to widen the sphere of action of the reciprocity agreements, in their effect towards the breaking down of tariff barriers among nations.

The principle of reciprocity as applied to China, however, presents a unique aspect. The exports of China consists largely of raw materials, which are but seldom subject to the import tariff of other nations. In the preparation of reciprocity agreements with other countries, the Chinese would soon find, to their sad disappointment, that although foreign nations can make out long lists of commodities on which special privileges are sought, the Chinese Government, in return, has nothing or little to demand for favorable treatment. Due to this physical fact alone, if nothing else, it would be extremely difficult for China to enter into any genuine reciprocity agreements with other countries, because the advantages to be derived from such agreements cannot be equal and mutual.

A Purely Domestic Affair

Our brief survey has succeeded, we hope, to present before our readers certain important phases of the question. In the first place, we maintain that the question of *likin* abolition is a purely domestic affair; and, eager as we all are to see its actual accomplishment, it should not be allowed to be used as a lever obstructing the procession towards tariff autonomy. Secondly, it is our opinion that the increase in tariff revenue due to the promulgation of the new tariff—if such an increase does come to pass—should not be earmarked for the repayment of the interest and the principal of certain inadequately secured foreign loans. Mindful as we are to the future of the national credit, we believe that any increase in revenue to be derived from customs tariff can be put to more important and better uses, than the repayment of certain loans contracted ignominously and promiscuously by a militarist government, now defunct. Lastly, we maintain that although the conclusion of reciprocity agreements is a common diplomatic usage, the case of China deserves special study. In general, the range of commodities to be included in any reciprocity agreements that China may enter into with other nations must be narrow in scope, so as to prevent the advantages to be derived from these agreements to be over one-sided.

The solution of these outstanding problems (difficult as it is), however, does not clear the way towards Chinese tariff autonomy. Even if these obstacles may be amicably settled, new ones can be brought up, as means of diplomatic "filibuster", when the Powers, especially Japan, are setting their mind to obstruct the realization of the Chinese aspirations. For, lying deep in the heart of the question is the fundamental obstacle towards the accomplishment of Chinese tariff autono-

*Being the third of a short series of articles written by Dr. Lee on the Tariff Autonomy Movement, the previous installments having appeared in Vol. XLVI, Nos. 9 and 10 of the *Review*. (Published simultaneously in the *China Critic*.)

my: foreign commercial interests. There seems to be a sinister fear, universal among the foreign trading communities, that the enforcement of a Chinese general tariff would, in some curious way, bring ruinous effect upon them. Unless this fear can be the chief obstacle to tariff autonomy would ever remain.

The Effect on Foreign Trade

That the foreign industrial condition would be injuriously effected by the enforcement of a Chinese general tariff necessarily depends upon the nature of the new Chinese tariff. That a change in the fundamentals of the Chinese tariff system, from the present flat five percent duty (plus two and half percent surtax and, in case of luxuries, an additional two and half percent) to a modern tariff schedule, would naturally react upon foreign trade, at least temporarily, is an economic truism which we freely admit. But to deduct from this the erroneous conclusion that the enforcement of a Chinese generel tariff would necessarily result in the disjuncture of foreign commerce—a dismal picture that the Kobe interests, for instance, are trying to present before the world tribunal—is a piece of propaganda which gives a semblance of logical resoning but which does not stand close scrutiny. The experience of the imposition of the two and half percent surtax and the luxuries surtax—which, by the way, has also been opposed strenuously owing to the fear that these imposts would have spoilt the China market—seems to point towards the conclusion that the China trade has prospered in spite of the higher duties, and that the volume of imports is larger after the imposition of these surtaxes than before. It is our opinion that a rational tariff schedule prepared carefully and with due consideration to national revenue, would not materially effect the volume of imports. It is of vital interest to the nationalt reasury that the new tariff must not kill trade. The real obstacle towards the full development of the China market for foreign merchandise is not the tariff, but the hitherto unsettled political and social conditions of the nation, which we hope, have come to an end.

Why China Demands Autonomy

China demands tariff autonomy, not merely because of the legal point that a treaty or conventional tariff is inconsistent to the sovereignty of an independent nation, but also because the nation is sadly in need of revenue. The taxing systems remaining as they are, the nation is utterly unable to balance its income and expenditure, thus blocking the way towards all further economic reconstruction and improvement. It is beneficial, not only to the Chinese, but to the foreign industrial and commercial communities as well, that these reconstruction and improvement schemes must go through. After all, the economic welfare of an industrial nation depends upon the extent and the well being of the available market. Potentially, China is the greatest market that the world has ever had. But this potential market cannot be fully developed without a long reign of peace and order, which in turn cannot be obtained without a strong, well organized National Government. To cut this government away from a possible source of revenue—even if such a policy can be effected—would not benefit but hurt the foreign trading interests. A dog-in-the-manger policy never fails to bring about its own starvation.

China Famine Relief Committee Issues Report

The National Committee of the China International Famine Relief Commission issued a report covering the period from March 15 to October 1, 1928. It gives a resume of the investigations made by John Earl Baker last summer and an account of the work being done by C. J. Todd, chief engineer. The chairman of the National Committee is Dr. S. Parkes Cadman, the noted Brooklyn divine.

Episcopal Missionary Gives Dark View of Church in China

The situation of the Christian Church in China at present is very much more serious than it was at the time of the Boxer rebellion, Dr. John W. Wood, Executive Secretary of the Protestant Episcopal Department of Missions, told the conference of 200 clergymen of the Episcopal Diocese of New York at its closing session at the Dean House at Lake Mahopac, N. Y. November 8.

General Motors Declares Big Dividends

The directors of the General Motors Corporation at the regular meeting held in New York November 8 declared on the outstanding common stock a regular dividend of $1.25 per share, payable December 12, and also an extra cash dividend of $2.50 per share, payable January 4 next. Regular quarterly dividends were also declared on the senior stocks payable February 1 next.

Growing Tung Oil in America

BY ORLAND KAY ARMSTRONG

(in the Nation's Business)

ABOUT twenty years ago, tung oil (wood oil) was introduced into the United States on a commercial scale for the manufacture of waterproof varnishes. It was found that such varnishes, when dry, would not turn white when wet with water, and it was found that their drying time was superior to varnishes made with linseed oil and that their weathering properties were often better than the latter type.

Unfortunately, however, all tung oil came from China.

Tung oil came from away up the Yangtse River, far in the interior, where coolie labor ground the nuts, extracted the oil, and prepared it for exportation. Inquiries about the tung oil industry were met by stoical rebuffs on the part of the Chinese growers. The process was a secret and would remain so.

Experiments with Tung Trees

But Uncle Sam's energetic agricultural experts, through the consular service, got hold of a number of tung trees and set them out experimentally, here and there, in various parts of the United States. That was twenty years ago. Those twenty years have shown that tung trees can be grown successfully and profitably in the U. S. A., and just where they can best be grown. Late this summer the first crop of tung nuts will be gathered from the first large tung grove in America.

The trees must have warmth and rainfall. Fifteen degrees is the lower limit of temperature and 30 inches the minimum of rainfall. Hence the selection of Florida, particularly the north central section, for the production of tung groves on a large scale.

Meantime the Chinese "secret" processes of tung oil production have been observed and found to be crude methods of oil extraction used perhaps since the beginning of the industry some thousands of years ago. The tung nuts are gathered, heated in pans, and ground up in primitive stone grinders by hand. The meal is then put in bags and these bags placed in splits of great logs. Flat stones are placed about them and wedges driven to press the oil from the meal.

Primitive Methods

The oil is collected in pans and allowed to settle. Coolies carry it from 25 to 100 miles to the river, where it is carried in boats several hundred miles down to the point of exportation. At least 20 per cent of the oil is left in the meal, and much is wasted.

American official observers saw with amazement the many uses the Chinese have for his tung oil besides the manufacture of paint and varnish. He waterproofs his boats with it. He uses it to mix with shavings to make roofing material. He uses it on silk, raincoats, paper, and a long list of articles where waterproofing is desired. Marco Polo, in his memoirs on Chinese travel, mentions tung oil and its uses.

When the demand for tung oil grew so urgently a few years ago and the paint and varnish trade was trying frantically to obtain more oil, the Chinese growers were given opportunity to install American machinery of the most efficient type to turn out oil quickly and in greater quantities. But they would have none of it. A superstitious dread of modern methods prevented any change from the slow and wasteful process of old.

This state of affairs convinced American experimenters that tung tree groves should be set out in this country and production begun in earnest.

B. F. Williamson of Gainesville, Florida, an authority on vegetable oils, formed the first large company for the growing of tung trees in America.

In 1923 the first large groves were planted in Florida. To the 3,000 acres of bearing trees will be added 1,000 acres more each year until production has made at least a measurable approach to the demand. Representatives of the paint and varnish industry have watched with great interest the growth of these groves.

Machinery *vs.* Coolies

To the objection that the American producer of tung oil cannot compete with the cheap labor of the Chinese coolie answer is made by Julean Arnold of Peking, who says that one standard American press will do the work of a hundred Chinese laborers. The groves are equipped with gasoline tractors which do the work of cultivation quickly and effectively.

Comparative figures on the probable yields from tung oil groves in comparison with linseed production shows an interesting contrast in values. Linseed, under some conditions,

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Albert Thomas' Mission in China

BY HARRY PAXTON HOWARD

"With us there are no unequal treaties. Every nation sending its representation to the International Labor Bureau of the League of Nations is recognized as on an equal basis, so far as the Bureau is concerned. Any nation can ratify or refuse to ratify the conventions adopted by the Bureau for the protection of labor. And China has utilized her sovereign power *not* to ratify."

Albert Thomas, Director of the International Labor Bureau of the League of Nations, at Geneva, made the foregoing response with regard to a suggestion regarding the unequal treaties here. Mr. Thomas has come to China as official representative of the International Labor Bureau, to visit the Government of China at Nanking and try to insure the full representation of China in the Bureau. Full representation would mean two delegates from the Government, one from Chinese labor, and one from Chinese capital.

Mr. Thomas' proposal met with a very favorable response from the Chinese Government, and he looks forward to seeing a full Chinese delegation, of four members, at the next meeting of the International Labor Bureau.

Short Stay in Shanghai

Mr. Thomas arrived in Shanghai on Saturday, December 1, from Nanking, having gone there from Peking and Hankow. He was accompanied by Mr. Edward Philan, his associate, and a Chinese interpreter, and came down from Nanking with Dr. H. H. Kung, Nationalist Minister of Industry, Commerce and Labor, and Dr. C. T. Wang, Nationalist Minister of Foreign Affairs.

It was originally intended that Mr. Thomas stay at Shanghai four days before going on to Japan, where he has important conferences both with Government and labor representatives. This was found impossible, however, so it was necessary to crowd the four-day program into two days, so far as possible. Many of Mr. Thomas' engagements, therefore, were filled by his associate Mr. Philan after their arrival on Saturday.

Mr. Thomas was the principal speaker the same day at a tiffin in his honor at the Astor House, given by the Pan-Pacific Association. He delivered a half-hour's speech in French, part of which was translated into English by Mr. Philan.

"Why Come To China?"

On every hand, Mr. Thomas said in his address, people have been asking "Why did you come to China?" It was impossible, he stated, to come to any definite conclusions regarding the country since he has been here a short time and has had no real opportunity to make a careful study of the situation. The speaker pointed out that it would be unwise to draw conclusions without having real facts upon which to base them.

Mr. Thomas stated that he had come to China to lay the foundation for closer relationship between this country and the League of Nations Labor Bureau.

In discussing the work of the Bureau he said it was necessary to refer to conditions when the Bureau first began to function in the interests of labor all over the world. In comparison with labor conditions before the war, the conditions are much improved now, due to co-operation and unity of labor itself, Mr. Thomas said. One important improvement was that child labor has generally been abolished and an age limit for children established. The 8-hour day had also been generally recognized, he stated, and women were no longer required to work all night in mills and other establishments of that nature. The 8-hour day, Mr. Thomas explained, gives the laborer more time for sleep and for intellectual and moral development. Another question of great importance to the laborer, and one that has been taken up in a serious manner, was that of industrial insurance, in addition to the securing of work for the unemployed, unemployment insurance, and insurance against old age. These matters were of vital importance to labor the world over.

The battle for these things was being waged, he said, in order to enable labor to live with at least a share of human dignity, and to improve not only material but moral conditions. In this manner the laborer is thus given a chance to look after his own interests. Mr. Thomas particularly urged an improvement in child labor conditions in China.

Crowded Program

Mr. Thomas' program was a very crowded one, including visits to several industrial plants, to the Pootung model village, to the Yangtsepoo Social Center, to the National Labor University, a reception and dinner by local officials meetings with representatives of local labor unions and with some foreign labor men now in China, a tiffin with the Manufacturers' Association of China, a dinner with Chinese commercial bodies, interviews with newspapermen, and a lecture and discussion with social workers. In addition, he received a number of reports on labor unions in China, a report on slavery, a report on the position of destitute Russians here and a proposal for organized effort in assisting their migration elsewhere, and a report on the recent refusal of the French authorities in Shanghai to permit a Russian socialist paper (anti-Bolshevik) to be published in the French Concession here.

In his speech at the tiffin of the Manufacturers' Association on Sunday, Mr. Thomas stressed the economic value of improved labor conditions and greater protection for the workers, which he pointed out resulted in increase of output. "The more employers do for labor in the real improvement of conditions, the more labor is able and willing to do both for itself and for production as a whole." (See *The Review* for August 18, 1928, for an economic exposition of this principle as applied to China, by the present writer.)

Fundamental Problems

Mr. Thomas came to a discussion of fundamental problems in a private conversation with the writer last Saturday, and went into further comment on these in his speech and discussion with social workers on Sunday. With regard to labor legislation, he remarked upon Poland and Czecho-Slovakia having formulated their labor laws after consultation with the International Labor Bureau, and hoped that China might make use of the Bureau in similar fashion. He denied flatly the statements attributed to him by a certain agency, both at Peking and at Nanking, to the effect that he had questioned the existence of "socio-economic problems in China," had declared that "there was no room for class struggle in China" that owing to difference of conditions China must formulate her labor laws on different basis than in other countries, etc. In a short trip such as his, Mr. Thomas pointed out, it was impossible to become an expert on China and make absolute statements of this kind. There were very serious gaps in their information about China, and he would certainly make no pretense of omniscience on the subject. He was deeply impressed however by the terrible conditions of the workers here.

Protection Urgently Needed

From what he had been able to see and observe of China, however, many things were required here even more than in western countries. For example, legal protection of labor-particularly women and children-from inhuman conditions. As for the organization of labor unions,-not as political organizations but as real workers' economic bodies for improving their material condition,-this was clearly a most urgent need here.

In Peking, Hankow, and Nanking Mr. Thomas had met representatives of committees which were presented as organizers—or reorganizers—of trade unions,—but they did not impress him as real labor men. Their aims were predominantly political—opposition to imperialism. They were much more interested in unequal treaties than in unequal feeding. But here in Shanghai he had seen some unions which impressed him as being genuine labor organizations. And he wanted to see if he could not induce Government people and Kuomintang people to recognize the importance of such real unions in raising the material standards and the educational standards of the Chinese workers. Trade unions were one of the best possible schools for the education of the workers.

Danger in Lack of Unions

Mr. Thomas pointed out that with the development of industry here, serious conflicts could be expected if China does not take advantage of present conditions to protect labor and to create true trade unions. Trade unions were the best education,—developing a sense of responsibility, developing the conscience of the workers, and developing the spirit of self-help in the minds of the workers. He wanted to see a strong union movement in China.

Mr. Thomas, while here officially as Director of the International Labor Bureau, has some other important posts. An old member of the French Socialist Party, it will be recalled that he was Minister of Munitions during the war. At present he is a member of the Executive Committee of the International Co-Operative Alliance.

Great Importance of Co-operation

Mr. Thomas feels that the co-operative movement is of the greatest importance in countries of the present economic development of China. Here is the practical construction of a socialist order within the framework of the old order. Like the trade unions, the co-operatives were a school in social consciousness, in responsibility, and in self-help. At the same time, they were the practical realization of socialism in daily

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Shareholders of China Merchants S. N. Co. Ask Government to Relinquish Control

The shareholders of the China Merchants Steam Navigation Company through their three representatives, Tsiang Tsun-kwei, Tung Kiang and Wang You-ling have recently sent a petition to the Nationalist government requesting the convening of a shareholders' meeting for the purpose of restoring the company to its original status and in order to discuss ways and means of future improvement. The petitioners represent more than eight thousand shares and they request in their petition that the Ministry of Communications should be instructed immediately to convene a shareholders meeting, which they say has long been sanctioned.

The China Merchants is the oldest and largest Chinese shipping company and has survived up until this time despite many vicissitudes. Prominent shareholders in the company state that when the government originally appointed officials it was with the object of supervising the management and also in order to protect its rights of navigation and also the interests of the shareholders, but there was no intention to deprive the shareholders of their rights as private owners. It has happened, however, that the board of directors was dissolved by the government and the shareholders' meeting indefinitely postponed. With its business declining and debts increasing, the company is stated to be on the verge of bankruptcy. In order to protect their interests the shareholders state that they have no alternative but to struggle for the restoration of the company to their own control.

The position of the shareholders is that it has been repeatedly declared by the governmental authorities themselves that the shareholders are the masters of the company, that the shareholders meetings are to have control and that the shareholders are not expected to relinquish their rights, the government's function being to supervise, but not to manage the company. However, despite these declarations the shareholders state that the company has at first been supervised, then reorganized and then taken over and managed by the government.

The assets of the company are estimated to be worth more than forty million taels.

Indian Tariff Board Exonerates Standard Oil Company

It will be remembered that some months back there was a price war between the British and American Oil companies doing business in India. As a result an enquiry was made by the Indian tariff board, to which an application had been made by the indigenous oil companies in India for protection.

The board of enquiry was composed of three members, of which the president was P. P. Ginwala. The two members were A. E. Mathias and J. Matthai. The two latter made a majority report and the first-named made a minority report. Both reports were in agreement that no protection was necessary as a result of the price war. Both reports condemned the indigenous oil companies for making their application and they make it plain that the Burmah Oil Co. was acting in concert with the Royal Dutch in initiating the price war against the Standard Oil company.

The majority report mentions that the ostensible reason given by the Royal Dutch Shell group for initiating the price war was "stolen" Russian oil, but the real cause appeared to be different. So long as the Burmah Oil Co., with supplies close by, was able to control the situation, the Standard Oil Co. found it difficult to compete when its prices were based on supplies from the American Gulf. When the Standard Oil Co. began to get supplies from Russia the advantage in the freight rate gave it an opportunity to compete, and it was admitted by a representative of the Asiatic Petroleum Co. that even though the Standard Oil Co. had drawn its supplies from other nearer ports than from the Gulf, and not from Russia, the price war would in any event have been started by them (the A. P. C.)

The minority report stated that there was no evidence of any kind to support the allegation that the Standard Oil Co.'s purchase of Russian oil was at uneconomic prices, but even if the allegation had been proved there was no reasonable ground for complaint so long as the Standard Oil Co. made no attempt to use that oil to enlarge its share of the Indian market by selling it in India below world parity prices. The minority report went on to say that in view of the events which preceded the launching of the rate war last year is was difficult not to find the principals of the applicant companies (which were supported by the Royal Dutch) guilty of a lack of candor amounting almost to deliberate *mala fides*.

Students of "Peking" University on Rampage

The Japanese *Toho* news agency's Peiping correspondent on November 29 gave details of an uprising by the students of "Peking" University. Many students are opposed to the new university system promulgated by the National Government and they had lately organized a body for the protection of the old historical name "Peking University".

That afternoon, over 100 students of the University, who made a demonstration, carrying in their hands flags with inscriptions such as "Overthrow of the Peiping University," and "Protection of the Peking University," tore off and destroyed by trampling two gate sign-boards, one of which bearing inscriptions "Officers of the President of the Peiping University" and the other, "Peiping Branch of the University Yuan" which had been put up at the gate of offices of the President of the Peiping University. They also smashed window panes and utensils of the offices and were just about to dash out, shouting "Burn the residences of the President and Vice-President of the Peiping University" when they were checked and dissolved by squads of militant police. The authorities of the University immediately telegraphed to all the central organs concerned, reporting particulars of the incident.

Further Developments in Shanghai Opium Scandal

The incident last week when opium which had been seized from the China Merchants steamer *Kiangan* became a matter of dispute between detectives belonging to the Shanghai Greater Municipality and soldiers of the Shanghai military authorities has in the meantime extended its ramifications. One of the developments has been that a Nanking mandate suspended Col. Tai Shih-fu as Commissioner of the Public Safety Bureau of the Special Municipality of Shanghai and appointed Heang Ching-hsin as Acting Commissioner. Col. Fu Shiao-sen, chief of the intelligence corps of the Lunghua military headquarters, was also ordered suspended by the State Council. Chang Ting-fan, mayor, has resigned. The military and municipal adminsistrations are both trying to prove that the other is responsible for the admittedly large illicit opium traffic that has centered around Shanghai. The foreign officers of the *Kiangan*, mostly British, were taken into custody by the Chinese authorities when the ship arrived at Nanking last Sunday, and handed over to the British authorities with a request for their arrest. The entire Chinese crew was arrested and detained. The foreign officers were released after being questioned.

Sidelights on the Recent U. S. Presidential Election

A member of the *Associated Press* staff in the United States in sending to *The Review* a copy of a dispatch from University, Virginia, following the defeat of "Al" Smith for the Presidency, stating that the statues of Thomas Jefferson on the grounds of the University of Virginia were dressed in black robes of mourning and a black veil pinned over Jefferson's head with a Smith campaign badge, commented, among other things as follows: "It was perhaps the greatest triumph of bigotry, intolerance, hypocrisy and ignorance the world has ever known: Neither religion nor prohibition accounts entirely for Smith's defeat. The campaign was a contest between the sidewalks of New York and Main street. Smith's popular vote was larger than that of Davis or Cox, although they received more electoral votes."

As against the above, another correspondent sends a clipping quoting a remark in a speech by Senator Borah: "To transfer Tammany Hall from New York City to Washington would be nothing less than a national disgrace."

Sinkiang Official Tells of Conditions in the Far Northwest

Liu Hsiao-tsu, secretary to the chief of staff of the Province of Sinkiang in the Far Northwest, arrived recently in Nanking and in an interview published in the Chinese press gives an account of conditions in that part of the country. He says that ever since Yang Tseng-sin took over the government seventeen years ago the people have manifested a talent for self government. In the early years of the Republic the Central government used to send an annual grant of more than two millon taels, but the remittance has not been forthcoming for the past ten years and in order to alleviate the financial stringency the government issued provincial notes and without difficulty. "Notes from outside provinces are not wanted and have no currency among us," he added. The upheaval of July 7 had been put down with a firm hand by Mr. Kin, the president of the provincial committee. The one great drawback, added Mr. Liu, was the lack of good roads.

Boycott Seriously Affecting Japanese Traders in Both North and South China

BY J. A. J.

There is a tendency now on the part of Japan's propagandists to minimize the serious consequences of the present boycott to the Japanese side. Mr. George Bronson Rea, chief exponent of the Japanese Cause, has now an associate in the person of Mr. Sokolsky. This latter gentleman has been trying to make out that the loss of business by the Japanese in China as a result of the boycott is infinitesimal, that Japan's trade with the rest of the world has increased, and that the boycott will but incite the Japanese traders and manufacturers to greater efforts to sell Japanese products to other nations. This story sounds peculiarly similar to that of the fox and the grapes! Presumably Mr. Sokolsky does not understand Japanese. If he does, and if he would make it a point to *hear* what the Japanese traders in North and South China have to say in respect of the shortsighted China policy of the Tanaka government, Mr. Sokolsky would be in a much better position to judge the real facts of the situation.

The fact of the matter is that the Japanese in China have been very seriously affected by the boycott. The big Japanese firms, in view of their business interests and connections in various parts of the world, and because of their ability to secure credits from the Japanese banks as well as assistance from the Japanese Government whenever needed, are, of course, in a position to more or less face periods of stress, but for every large Japanese concern in China there are a couple of hundred of small traders and it is these small traders that have been very seriously hit by the boycott. When it is taken into consideration that there are some 200,000 Japanese in Manchuria and 60,000 in the rest of China, one immediately realizes that the few large Japanese business houses in China do not represent the real standard of the effects of the anti-Japanese boycott. There are countless one-man concerns with capital ranging from 10,000 to 50,000 *yen* that are now faced with serious difficulties and the propagandists would do well to study their plight before indulging in silly attempts to minimize the real nature of the situation.

Japanese Traders Are Worried

The small Japanese traders in China, from Mukden to Canton, are worrying over the fast approach of the end of the year, the time to effect a settlement with their creditors, namely the manufacturers in Japan who have extended credit to them, and the banks who have granted them overdrafts. Their funds are all tied up in goods and these goods cannot be sold on account of the boycott. Of course conditions vary in the various parts of China, for example the small Japanese traders in Manchuria, while affected, are in a better position than the traders in the rest of China, but we must not run away with the idea that just because there are 200,000 Japanese in Manchuria and only 60,000 in the rest of China, the better situation of the former counteracts the predicament of the latter. Such is not at all the case. For the average Japanese small trader in Manchuria does not, in normal times, have anything approaching the turn-over of the average Japanese trader in Central or South China. Whereas the Mukden small trader, with a capital of 10,000 *yen*, may have a turn-over of 40,000 *yen* annually (in normal times), the Canton small trader, with a similar capital, may easily have an annual turn-over of 80,000 *yen* in normal times.

It is a poor way of reasoning that just because the trade of Japan with countries other than China has increased, whatever is lost in China is to be considered as infinitesimal. It may be some consolation to the Japanese manufacturers to be able to sell 25 per cent. more goods to South America and India, thereby off-setting the 25 per cent. lost in China, but it is poor consolation to the small Japanese traders in China. Napoleon referred to the English as being a "nation of shopkeepers" but these "shopkeepers" have kept the Union Jack flying. Just as the middle class is usually the backbone of a nation, the "small traders" are usually the backbone of trade. How many individuals are there who can set up a company with a capital of a million, a half million or even a quarter of a million dollars? Only a very few in comparison with the multitude of persons who are able to start business with a capital of a few thousand dollars.

Mr. Sokolsky does not seem to have taken the trouble to ascertain all the facts. What he has done is to swallow the doses given by headquarters! If Mr. Sokolsky knows Japanese and would investigate the predicament of the small Japanese traders in China, he would be a bit more wary of minimizing the effects of the anti-Japanese boycott. It is a poor method to take as a standard the expansion of Japan's trade with other countries in off-setting the decline of Japanese business in China. It is not only unscientific but too transparent. Such propaganda stunts do not really lead anywhere.

Indignant at Tanaka's Policy

The small Japanese traders in China are justly indignant with Tanaka's China policy. They have seen how the Chinese have persistently refrained from purchasing Japanese products even though they may have been called upon to pay higher prices for goods from other countries. In piece goods, we have the authority of Japanese consular officials in South China for it that British goods have largely supplanted Japanese goods. The writer has compiled a list of goods hitherto largely imported from Japan but which are now entering China from other countries. The material for this article has been secured from a score of Japanese small traders in South China and not from Baron Tanaka, nor yet from Mr. Yamamoto of the South Manchuria Railway Company.

Cotton blankets hitherto entered China on a large scale from Japan. Now, they are imported from Great Britain and Germany, with a percentage from the United States. Piece goods are now largely brought from England and Germany. Perfumery and toilet articles now come almost solely from the United States, France and Germany. In Patent Medicines, there is a great decline in imports from Japan, hitherto a large supplier. In Sea Products, the Japanese trade has been lost in favor of Java, British India and to some extent the United States. In Paper, almost all of China's requirements are now filled by countries other than Japan.

To say that the small Japanese traders in China are highly dissatisfied with the China policy of the Tanaka government and greatly discouraged as to the future is putting it very mildly indeed. Many have lost every cent they have saved in the past several years from profits earned and are now carrying on in a hand-to-mouth manner. The plight of these small merchants is no joke although the propagandists have sought to make fun of the boycott and its consequences. In South China as well as in Central China many are facing bankruptcy, and unless the Japanese government finds the money to assist these small merchants to weather the storm, there is going to be great distress at the year end.

A Protest to Tokyo

It is reported that the small Japanese traders in South China are proposing to send delegates to Tokyo, not for the purpose of pressing for the maintenance of a firm "positive policy" towards China but for financial aid and for the introduction of a policy more in consonant with the times. These small merchants complain, not without reason, that they are innocent victims of the situation and that on account of the sabrerattling policy of the Tanaka Government, they are held up to objurgation by the Chinese. The impression of non-Japanese is that all Japanese are blindly patriotic and at all times make it a point to stick to their Government through thick and thin. This may be true of the Meiji era but is certainly far from being the case now.

It is a well known fact that Japanese consular officials in China have reported fully upon the plight of the small traders in this country, pointing out the danger of "dangerous thoughts spreading among them. While no one has been heard to say anything against the Emperor, many have expressed the desire to see Baron Tanaka consigned to Hades. Paper dealers, piece-goods merchants, dealers in toys and perfumery and toilet articles are one and all in serious straits.

Japan may be making the extra 25 per cent elsewhere to counter-balance the 25 per cent. of her foreign trade lost in China but that is not helping the small traders in this country in any way.

The writer explained to a Japanese trader the other day the substance of Mr. Sokolsky's recent propaganda article. The trader promptly replied that the Japanese Government has got together a number of foreigners for its tools. The Japanese Government, he said, is always very clever that way!

Canton, Dec. 2, 1928.

Dollar Line to Enter Philippine Coastwise Trade

A recent *Associated Press* message from Manila published in the *Manila Bulletin* stated that the Dollar Steamship line had announced plans to establish an extensive inter-island service in the Philippine Islands. The company has prepared designs for two passenger steamers which will cost approximately G. 3,000,000 each. They are to be built in the United States. R. S. Dollar, vice-president of the Company, in an interview predicted a tremendous development in the Philippines in the next few years.

Sino-Italian Treaty Also Relinquishes Extraterritorial Rights

The text of a new Treaty signed between Italy and China on November 27, 1928, was made public November 30 by the Ministry of Foreign Affairs. The Italian Government recognises therein the right of Customs Tariff Autonomy and agrees to abandon Consular Jurisdiction over Italian snbjects in China. The treaty with four annexes is as follows:—

PRELIMINARY TREATY OF AMITY AND COMMERCE BETWEEN THE REPUBLIC OF CHINA AND THE KINGDOM OF ITALY

The Republic of China and the Kingdom of Italy being equally animated by the desire to strengthen the ties of friendship which happily subsist between the two countries and to promote and consolidate their commercial relations, have resolved to conclude a Preliminary Treaty for Amity and Commerce, and have, for this purpose, named as their Plenipotentiaries, that is to say:

His Excellency the President of the National Government of the Republic of China:

Dr. Chengting T. Wang, Minister for Foreign Affairs of the National Government of the Republic of China;

His Majesty the King of Italy:

Mr. Daniele Vare, Commander of the Order of the Crown of Italy, Officer of the Order of SS. Maurice and Lazarus, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Italy to China; who, having met and communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles:

Article I.

The two Contracting Parties agree that the customs tariff and all matters related thereto shall be regulated exclusively by their respective national legislations.

It is further agreed that each of the High Contracting Parties shall enjoy in the territory of the other, with regard to customs and all related matters, treatment in no way less favorable than the treatment accorded to any other country.

The nationals of each of the High Contracting Parties shall not be compelled, under any pretext whatever, to pay within the territories of the other Party any duties, internal charges or taxes upon the importation or exportation of goods, other or higher than those paid by the nationals of the country or by the nationals of any other country.

Article II.

The nationals of each of the two High Contracting Parties shall be subject, in the territory of the other Party, to the laws and jurisdiction of the law courts of that Party, to which they shall have free and easy access for the enforcement and defence of their rights.

Article III.

The two High Contracting Parties have decided to enter as soon as possible into negotiations for the purpose of concluding a Treaty of Commerce and Navigation based on the principles of absolute equality and non-discrimination in their commercial relations and mutual respect for sovereignty.

Article IV.

The present Treaty has been drawn up in two copies in the Chinese, Italian and English languages. In the event of there being any difference of meaning, the English text shall be held to prevail.

Article V

The present Treaty shall be ratified as soon as possible and shall come into force on the day on which the two Governments shall have notified each other that the ratification has been effected.

In faith whereof, the respective Plenipotentiaries have signed the present Treaty and have affixed thereto, their seals.

Done at Nanking this twenty-seventh day of the eleventh month of the seventeenth year of the Republic of China, corresponding to the twenty-seventh day of November, nineteen hundred and twenty-eight (the seventh year of the Fascist Era).

(Signed) CHENGTING T. WANG
Plenipotentiary and Minister for Foreign Affairs of the National Government of the Republic of China.

(Signed) DANIELE VARE
Plenipotentiary and Envoy Extraordinary and Minister Plenipotentiary of His Majesty the King of Italy to China.

Annex I

MINISTRY OF FOREIGN AFFAIRS

Nanking, November 27, 1928.

Monsieur le Ministre

In the name of the National Government of the Republic of China, I have the honor to state that Article II of the Treaty signed this day between China and Italy shall be understood to begin to be operative on January 1st, 1930. Before such date the Chinese Government will make detailed arrangements with the Italian Government for the assumption by China of jurisdiction over Italian subjects. Failing such arrangements on the said date, Italian subjects shall be amenable to Chinese laws and jurisdiction from a date to be fixed by China, after having come to an agreement for the abolition of extraterritoriality with all the Powers signatory of the Washington Treaties, it being understood that such a date shall be applicable to all such Powers.

By "Powers signatory of the Washington Treaties" shall be meant those Powers, other than China, which directly participated in the discussion of Pacific and Far Eastern Questions in the Conference on the Limitation of Armament held in Washington in 1921-22.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Signed) CHENGTING T. WANG

His Excellency
Mr. Daniele Vare,
Italian Minister to China,
Nanking.

Nanking, November 27, 1928.
VII year of the Fascist Era.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's Note of to-day's date which reads as follows:

"In the name of the National Government of the Republic of China, I have the honor to state that Article II of the Treaty signed this day between China and Italy shall be understood to begin to be operative on January 1st, 1930. Before such date the Chinese Government will make detailed arrangements with the Italian Government for the assumption by China of jurisdiction over Italian subjects. Failing such arrangements on the said date, Italian subjects shall be amenable to Chinese laws and jurisdiction from a date to be fixed by China, after having come to an agreement for the abolition of extraterritoriality with all the Powers signatory of the Washington Treaties, it being understood that such a date shall be applicable to all such Powers.

"By 'Powers signatory of the Washington Treaties' shall be meant those Powers, other than China, which directly participated in the discussion of Pacific and Far Eastern Questions in the Conference on the Limitation of Armament held in Washington in 1921-22."

I have the honor to state that the Italian Government is in full agreement with the above statements.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Signed) DANIELE VARE

His Excellency
Dr. Chengting T. Wang,
Minister for Foreign Affairs,
Nanking

Annex II

DECLARATION

I have the honor to declare that on or before January 1st, 1930, the Civil Code and the Commercial Code, in addition to other Codes and laws now in force, will be duly promulgated by the National Government of the Republic of China.

(Signed) CHENGTING T. WANG

Annex III

DECLARATION

In the name of the National Government of the Republic of China, I have the honor to declare that, when Italian subjects cease to enjoy the privileges of consular jurisdiction and other special privileges, and when the relations between the two countries are on a footing of perfect equality, the Chinese Government, in view of the fact that Chinese citizens, subject to the limitations prescribed in Italian laws and regulations, enjoy the right to live and trade and to acquire property in any part of the Italian territory, will grant the same rights to Italian subjects in China, subject to the limitations to be prescribed in its laws and regulations.

(Signed) CHENGTING T. WANG

Annex IV.

JOINT DECLARATION

It is understood that Italian subjects in Chinese territories and Chinese citizens in Italian territories shall hereafter pay such taxes or imposts as may be prescribed in the laws and regulations duly promulgated by the Chinese and the Italian Government respectively, provided that such taxes or imposts are not other or higher than those paid by the nationals of any other country.

(Signed) CHENGTING T. WANG
(Signed) DANIELE VARE

Mr. Yoshizawa's Policy Toward China

(Translation from the Japan Chronicle (Kobe) for November 22)

"MY CHINA POLICY" is the title of an article by Mr. Yoshizawa Kenkichi, the Japanese Minister to China which appears in the *Diplomatic Review* of November 15th. Though it may be questioned how far his China policy is going to be reconciled with that of his Government as guided, according to popular belief, by the ambitious Mr. Kuhara, there can be no doubt that the opinion of a diplomat of Mr. Yoshizawa's position and connections must have some weight in the determination of Japan's China policy.

The relations between Japan and China, says Mr. Yoshizawa in the course of his article, are exceedingly complicated politically, economically and socially. Economically, to begin with, Japan's trade with China does not, indeed, equal her trade with the United States, but comes next to it. If I remember rightly the total value of imports and exports for 1925 came up to Yen 1,000,000,000, exports from Japan amounting to Yen 600,000,000 and imports from China, Yen 400,000,000. As for railways, there is the South Manchuria Railway, which is a purely Japanese line, and there are also numerous railways in Manchuria which are financed with Japanese loans. Japanese capital is invested in the Kiukiang—Nanchang line in Kiangsi Province and the Chaochou-Swatow line in Canton Province. The Japanese investments in China are estimated in the neighborhood of Yen 1,900,000,000 apart from public and other loans amounting to Yen 700,000,000. When it comes to shipping, there is no place where Japanese vessels do not ply from the ports in Manchuria and North China in the North to Hongkong in the South. They operate not merely along the coast but up and down various inland rivers. On the Yangtse, more especially, they go up as far as Ichang, to the great advantage of the shipping concerns interested and the general Chinese public. In fact, Japan occupies a more important position even than Great Britain in Chinese shipping. These intimate relations are reflected in, and further strengthened by, residence of a large number of Japanese and Koreans in China, the former numbering about 200,000 and the latter no less than 1,000,000.

War-Ridden China

Under these circumstances, Japan can hope of China nothing better than the establishment of peace and stability in the country and the improvement of its economic life—a wish which is heartily shared by the Chinese people with us. As a matter of fact, however, the civil wars and strife raging in China in recent years not merely prevented stability being restored but actually destroyed the economic organisation of the nation. The national living in China was exposed to extreme menaces and the people were entirely deprived of opportunity for peace and improvement. How hard life in China was made may be gathered from the fact that goods imported to Shantung were subject to taxes five or even eight times the import duty levied on them. Though this was an extreme case witnessed when the province was under the rule of Chang Tsung-chang, yet there is no denying that even in other districts, whether in North or South, the public groaned under excessively heavy taxation and exactions, the result being that the buying power of the Chinese people decreased to an extreme extent and their producing power was also paralysed. The railways in various districts were destroyed by the perpetual warfare or ceased to function. The social exhaustion and hardship entailed upon the people were beyond description and could not be looked on without deeply sympathising with the lot of our neighbors.

A New Epoch

So it was an epoch-making event for China that the Southern influence accomplished its long-cherished object in June last, completing its so-called work of subjugating the North and thereby virtually succeeding in unifying the country. Thanks to this unification the Chinese may be said to have entered upon a new age, in which, relieved of the menaces of war and with security of life assured, they may successfully aspire for economic and cultural development. Indeed, some people have still misgivings as to the prospects of the Kuomintang regime. They fear that, containing, as the party does, various elements which are mutually irreconcilable the unification will be shortlived and there must be a relapse to war and confusion sooner or later. It is said that Feng Yu-hsiang may at any time unfurl the standard of rebellion or that Yen Hsi-shan may secede or that there will be an inevitable collision between this and that leader or the different districts, and so on. For my part, I cannot indorse any such surmise. Of course it would be hasty to prophesy that the present state of affairs will endure for ever, or that the peace now restored is likely to be permanent. But so far as my observations go, the country does not appear to be going to relapse to the confusion and chaos from which it has emerged. On the contrary, it is more reasonable to think that things will get more stabilised and adjusted in China, and that the country will continue in a state of unification for the time being at least. The Nationalist Government has lately promulgated the regulations for its official organisation and appointed Directors to the five Boards of the Government with Chiang Kai-shek for the virtual head of the Republic. The Government has not only been completed in form in this way but its members, Board Directors and the rest, are all men of moderation and experience, endowed with superior ability. I wish them joy and success, feeling assured that during this period of training and preparation which, according to the Kuomintang scheme, is to be the period for training the people into sound members of a Republic and preparing them for a regime of complete constitutional government, they will show sufficient sincerity and statesmanship to ensure the steady development of their country under a unified rule and maintain their position and prestige abroad and at home.

Manchuria Always an Exception

To return to the relations between Japan and China. Immovably fixed as is Japan's declared policy regarding Manchuria, which has such vital bearings on her national defences and economic existence—a fact which we have reason to believe is fully understood by the Kuomintang Government—I think that in regard to the general situation in China, Japan should show goodwill and sympathy for the efforts of the Kuomintang leaders to reorganise China under a new unified regime both in the interests of the Chinese people and of the Far East and give them as much opportunity and assistance as possible for the realisation of their objects. The power of the old-fashioned military cliques, so out of touch with the national life of China, was swept away by the completion of the anti-North expedition in June last and it is the ardent desire of the Chinese people to perpetuate the peace thus restored and promote the development of their economic life; and I believe that the policy and endeavors of the Kuomintang Government are such as calculated to give effect to such national aspiration. But it is no easy task to build up a new China. It will require greater toil and perseverance than demanded for bringing the anti-North expedition to a successful issue. But from what has so far been done by the Kuomintang Government, and in view of the general situation in China, it would appear that the work is being steadily prosecuted. Not more than four or five months has elapsed since the restoration of peace, and yet the national economies of China have shown a marked improvement and her trade with Japan bids fair to be placed on a more satisfactory footing. If our compatriots appreciate their neighbor's constructive throes more completely and give her more considerate assistance, it will prove a great help for the amelioration of the conditions in China.

Autonomy That is Not Autonomic

It is highly satisfactory to note that in this respect public opinion in Japan is on the whole at one and that the Government's China policy is also on the same line. It is true that there are many pending questions awaiting settlement between Japan and China, and it is a matter of common knowledge that the authorities of the two countries are conferring with a view to adjusting them. To this end it is necessary that both parties should exchange views without reservation and endeavor to reconcile their contentions and also that they should mutually respect the "face" and feelings of neighbors and sympathetically consider their respective positions. In the meanwhile we should refrain from making surmises about the details of the parleys and the probable issue thereof. It is Japan's fundamental policy to give constructive assistance for the improvement of the general situation in China; she falls behind none in sympathising with China for her aspirations for peace and unification, and this must be duly appreciated by China. Despite our deep sympathy for China's aspirations, however, we cannot agree to abrupt changes: the relations between the two countries are too close for that. For instance, at the Customs Conference some years back Japan took the lead in recognising China's tariff autonomy, but China should not adopt a statutory tariff without first coming to arrangements with Japan regarding rates, the reason being that, as imports from China are mostly free of duty or subject to nominal duty, it will give rise to unequal economic relations if China is to levy duty on Japan's exports at rates arbitrarily and one-sidedly fixed—a most unnatural course to take between two countries which are so intimately related in trade as Japan and China. While from Japan's point of view her trade with China is next to that with America, in China's own trade Japan occupies the first rank in which she has already superseded Great Britain. So when the trade relations between the two countries are not regulated quite satisfactorily, it is not Japan

(Continued on page 67)

Bicycles and Motorcyles Becoming Increasingly Popular in China, Says D. C. Chu

While the importation into China of bicycles, motorcycles and velocipedes has steadily advanced during the last ten years, the future business in these vehicles, owing to the opening of numerous roads in cities and rural districts, promises so far to surpass all previous records that it is interesting to consider the situation of this market.

Mr. D. C. Chu, proprietor and general manager of Dong Chong Cycle & Motor Co., the largest organization specializing in the sale of bicycles and motorcyles in this country, probably is better qualified than anyone else to report the conditions in this type of business. In a recent interview, he gave the following information:

"At present the British bicycles dominate here, although recently Germany, France and, until this year, Japan, have furnished close competition. As yet the United States has directed little attention to this market. Of a total of 13,931 bicycles and velocipedes imported during 1927, approximately 35% came from Great Britain, while Germany's exportation for China amounted to only slightly less, her share being about 31%. France followed next with 15% and Japanese vehicles made up about 9%. America's contribution to these imports was infinitesimal, amounting to only ten pieces! The net value of the import for last year was Hkg. Tls 364,775.

"In the import of motorcycles the British make also leads, at present furnishing more then 50% of the total. Last year Japan sent 22% of these machines to China—largely assembled from American parts. The value of direct import from America amounted to about 12% of the total received here. France and Germany are unimportant in this field and in the future the closest competition probably will be between America and Great Britain. The total net value of motorcycles imported from abroad during 1927 was Hkg. Tls 134,460."

Mr. Chu said American bicycles thus far had been defeated in the Orient because of the high prices demanded. While the American product generally is superior to other makes, the cost is almost prohibitive, even the very plain models costing about Tls60, as compared with the average price of the British import of about Hkg. Tls28. "Another objection to the American bicycle," Mr. Chu declared, "is the coaster brake feature. Curiously enough, it has been tabooed by the Chinese cyclist, who finds its too unnecessarily complicated an idea to accept. He prefers the free wheel European model, with the simple external brakes.

"American motorcycles. however, are becoming more and more popular, as these compete on a price and quality basis with the manufactures of other countries. Undoubtedly they soon will dominate here, as the superiority of American motive power products is pretty generally recognized among the Chinese."

Asked concerning the future of the cycle business in China, Mr. Chu expressed confidence that the importations would treble—possibly quadruple—during the next two or three years. "Just consider our population—430,000,000. Then compare with that figure the present total annual import of bicycles—less than 14,000. Your question is answered. In the interior our sales are rapidly increasing. Whenever a new roadway suitable to rubber-tired traffic is opened, it results in a great demand for motorcycles and bicycles. If only a fraction of the present extensive road-building plans are carried out, I predict that we shall have to open numerous sales and service branches to meet the requirements of the new customers thereby secured. Even in the remote sections, where roads are practically non-extant at present, the appearance of bicycles and motorcycles, piloted by foreign missionaries, or adventurous Chinese, has stimulated great interest and much of the agitation for good roads has been brought about by a popular desire to own and ride a cycle of some sort."

Mr. Chu stated that the business of his company at present amounted to over a million dollars a year. "At the conclusion of the annual clearance sale we are at present conducting," he said, "our total sales for this year probably will amount to more than 6,000 bicycles and several score of motorcycles." Founded thirty years ago as a bicycle and carriage shop (a branch of the business which is still of much importance) by his father, D. C. Chu, Sr., the company has expanded from an original tiny sales and repair shop on Nanking Road till today it includes a large building on the site of that shop, as well as offices in Nanking and Hankow, and several well-equipped repair shops.

Overseas Chinese Being Encouraged to Locate and Invest in China

The Committee of Overseas Chinese Affairs at Nanking has published regulations which have the object of interesting Overseas Chinese in home industry. Special facilities are given to Chinese who wish to take up unclaimed land or who wish to invest their money to develop the industries of their ohme country.

The New Shanghai College Library

Picture by Dr. G. B. Cressey

The above is a photograph of the new Shanghai College Library which was formally dedicated November 17.

The building is two stories high and of reinforced concrete, with column and beam structure. Steel girders support the roof which is of red concrete tile. The library is faced with special tapestry brick set in Flemish bond. Pre-cast concrete blocks surround the windows and form ornamental panels. Window frames are of steel and the floors are covered with heavy cork linoleum. The building is heated by hot water radiators and there is an oil-burning furnace. All electric wiring is of lead-covered cable.

The size of the building is fifty by one hundred with an overall height of fifty-nine feet. The original architectural design was by Murphy and Dana of New York, but was somewhat modified to suit present requirements. The contractor was Hsu King-fou.

The front doors are of steel and are set in an ornamental projecting tower. On the right of the spacious hall are well lighted rooms for daily newspapers and faculty research, with a large cataloguing room and the librarian's office adjoining.

On the left of the central hallway is the stack room, occupying half of the first floor. The book cases already constructed provide for more than half a mile of shelf space, but with the present rapid growth of the library it is expected that within a few years it will be necessary to install a double tier of stacks. The height of the ceiling has been made fourteen feet to allow for this. A book elevator connects the stack room with the charging desk in the main reading room above.

The entire second floor is devoted to the reading room. The ceiling is arched with a beam and panel effect, giving a height of twenty feet in the center. The treatment of the ceiling is light buff which with dark brown beams gives a most pleasing appearance. The room is exceptionally well lighted and commands a splendid view of the campus and the Whangpoo River, along which passes the commerce of the seven seas.

At one side of the room is the large charging desk, connected by book lift with the stack rooms below. This desk is beautifully constructed of teak from Indo-China and forms the focus of the room. Space behind the desk is provided for reserve books while other open cases in front care for reference books and magazines. These shelves, together with catalogue files, reading desks and chairs are built of lauan from the Philippine Islands. Table space is provided for more than 200 students.

The library now includes more than 26,000 volumes, of which 12,500 are in English and 13,500 in Chinese. Two hundred magazines come to the library regularly and the files of important journals are bound. All books are catalogued and indexed under the Dewey system. The circulation figures for the year exceed 50,000.

Philippine Director of Education Publishes Annual Report

The Director of Education of the Philippine Islands recently issued the annual report for 1927. The report shows an increased enrollment in the schools, but there are still only a little over 35 per cent of the children of school age enrolled; the enrollment in certain provinces declined; the greater proportion of the teachers are without sufficient training; and funds available for school purposes are still far from adequate.

In South China To-Day

(*From a Correspondent.*)

Missionaries are returning in large numbers to Kwangtung. Feeling that the time has come for renewed effort in this province, foreign Christian workers are arriving by every ship and appear to be sanguine as to the future. From 1925 to 1927 Christianity in Kwangtung underwent a series of set-backs as a result of Red propaganda. Most of the missionaries were compelled to quit the field and Chinese Christians for a time went in fear for their lives. With the collapse of the Reds, sanity has returned and also courage on the part of Chinese Christian workers to resume their activities. Missionaries affirm that the state of receptivity on the part of those outside of the Church has never been more marked than now. Allowing to some extent for the usual missionary enthusiasm, the writer admits that the situation in Kwangtung is such to-day that Christians need have no fear of molestation under the present regime. Marshal Li Chai-sum and Admiral Chan Chak have been heard to acknowledge that Christianity is a force for good. The authorities have not failed to observe that during times of stress the Christians were amongst the best behaved. Christian organizations, notably the Y. M. C. A., have launched successful campaigns this year.

Marshal Li has now returned from Nanking and expects to be here for four months at least before proceeding once more to the North. The Marshal says that although the Central Government has a lot of uphill work to do, its solidity of position is more than assured. For the first time since the advent of republicanism in China, the country is united North and South. Concerning Kwangtung, the province is facing three problems: opium-suppression, financial re-adjustment and troop-reduction. Opium-suppression is what the Marshal is strenuously aiming at but so long as the three provinces of Kwangsi, Kweichow and Yunnan continues to produce, so long will it be difficult to suppress opium in Kwangtung efficiently. The great necessity is for suitable understanding between Kwangtung and the authorities of these three provinces. Financial readjustment will come in time. The greatest evil is, of course, the circulation of debased coins. It is a sorry commentary on the state of the Kwangtung money market that in addition to the debased coins of the 13th Year of the Republic, the newly minted 20 cent coins have already been found to contain less silver than they should. This sort of thing will not help the money question. In the matter of troop-reduction, the question of banditry has to be considered. Unless the bandits are first got rid of, troop-reduction should be proceeded with, with great care. In certain sections of the province, banditry is still rampant. Moreover, bands of Red desperadoes are still running loose, here and there.

Canton, November 26th, 1928.

Notes from Kansu Province

The following information on conditions in the province of Kansu is from a traveller who recently arrived there from Shanghai.

Since the installation of a new postal commissioner, who is a Chinese, at Lanchow, the service is somewhat less efficient than formerly. To cut down expenses the post office authorities are dispensing with a courier here and there, giving every other day mail service instead of daily as formerly. Motor roads, of course, have been built right from the eastern border of Shensi to Lanchow in Kansu, and they are good. Hundreds of thousands of trees have been planted on both sides of the road, giving it a pretty appearance. The new Lianchow-Sian Motor Service is to start January 1 next, with a sub-station at Kuyuan. The rates to be charged will be cheaper and the service quicker than the old way. The trip by mule cart took two whole days and necessitated a stop over night in a dirty inn.

The Lung-Hai Railway is to be completed to Tongkuan, the Honan-Shensi border garrison city in a few months, and to Sian by the end of 1929. This road, when complete, will be a boon to the merchants.

The Moslem Rebellion

The so-called Moslem rebellion seems to have originated through the dismissal by Feng Yu-hsiang of the former Moslem generals who held positions as defense commissioners at Liangchow and Sining, Feng replacing them with his own men. The displaced commissioners then started the story that it was Feng's policy to exterminate all Mohammedans. They succeeded in inflaming the Moslems from Liangchow and Hochow, and as a result more than a hundred thousand lost their lives in the ensuing "Holy" War. Ma Teng-hsiang, the dismissed commissioner who was mainly responsible for the rising, is at present at Hochow, which is his temporary headquarters; and negotiations between him and the Kuominchun are now in progress. Part of the trouble also was caused by the high taxation. At any rate it seems as though Feng can name his own terms, as there are about 80,000 of his troops in this neighborhood.

Robbers Are Plentiful

Robbers are plentiful, and the troops are out and roundabout fighting them from time to time. Some of the remnants of the former regime are still making trouble in the eastern part of the province. Many of them were killed in an encounter several weeks ago by Feng's first cavalry division.

The two new provinces of Ninghsia in the north and Chinghai in the west have been placed under Feng's own men, the former Mahommedan generals having been dismissed. Chinhai takes in the city of Sining, which is to be the capital. General Ma Chi's former stronghold, and the eastern part of Thibet, known as Kokonor, a place rich in mineral wealth as well as in hides and wool.

Famine is present in most parts of the province. The International Famine Relief Commission can find good scope for its work here. There are sure to be many deaths this winter from starvation.

Some Aspects of the Recent Progress of Mary Farnham High School

BY V. P. TING

Mary Farnham High School, the cradle of the writer's mother, sisters and wife's education, has been growing slowly and steadily within these last few decades. Whilst the other Christian schools were obliged to close in consequence of the so-called movement against imperialism, Mary Farnham went on as if nothing had happened to bar her progress. Ten years ago, when the writer chronicled the seventieth anniversary of this old school, previous to his departure for higher studies abroad, there was not such a fine, spacious and well-ventilated gymnasium of reinforced concrete as it now stands gorgeously amidst a village of old shacks and dilapidated houses. This was the memento of the painstaking efforts of the loyal daughters of old Mary Farnham, who helped to hold up her integrity and prestige in the hurry and bustle of a riotous period.

Another thing on which the writer congratulates the principal and teachers of Mary Farnham is the progress evinced in connection with the services of the new principal and dean, both graduates of this school, Miss Beulah Chang, M. A. of Columbia, and Mrs. Beulah Ting, Vice Chairman of the Shanghai Songsters. The retiring principals, Misses Cogdal and Morton, have shown great sagacity and farsightedness in handing over the responsibilities for the supervision of the school into the hands of these two young ladies, their former pupils.

Changes in the U. S. Consular Service in the Far East

The following changes in the U. S. Consular service in the Far East were announced in a Washington despatch, dated October 27, in the *New York Times*,:

Ernest B. Price of New York, now assigned as Consul to Tsinan, China, ordered to Nanking as Consul.

Lewis Clark of Alabama, who was serving as an attache to the legation at Peking, has been assigned as Vice-Consul at Canton, China.

John K. Davis of Ohio, First Secretary of the legation at Peking, has received a recess appointment as Consul-General at London, England.

Clarence J. Spiker of the District of Columbia, now Consul at Nanking, China, has received a recess appointment to the legation at Peking as Chinese Secretary and Second Secretary of the legation.

Edward F. Stanton of California, now serving at Canton, China, has been assigned as Consul at Tsinan, China.

October Exports to U. S. A. from China Totalled G. $9,938,854

Exports from the whole of China to the United States during the month of October amounted to $9,938,854 and the total for the first ten months of the year to $112,544,210, according to figures furnished by the U. S. Consulate General at Shanghai. Bristles were shipped to a value of $534,287 during the month. Unshelled walnuts were done for $382,030, considerably more than had been done in the whole nine months previously. Wood oil shipments totalled $1,463,725 for the month—$12,054,596 up to October 31. Raw cotton exports were valued at $439,751—considerably above the average. Sheeps wool for just over a million dollars for the month is a fair average. Raw silk was shipped during the month to a value of $2,361,696. Antimony regulus shipments for the month totalled $274,035; for the first ten months of the year $1,837,400. All above figures are U. S. gold.

Canton the Progressive

(From a Correspondent)

WHEN Kiaochow Territory was returned to China as a result of the Washington Conference, wiseacres shook their heads and predicted that very soon Tsingtao would fall to the standard "of the average Chinese city" and some sarcastic individual composed a poem in which "pigs on the maloos" and "poultry everywhere" played an important part. Germany had spent so many millions of *marks* in building the city, Japan claimed she had spent so many millions of *yen* more, continuing where the Germans left off, and nearly everybody "surmised" that the moment the Chinese got control of Tsingtao they would reduce it to the status of the "average Chinese city." Some said the buildings would be permitted to go to wreck and ruin, others prophesied that the trees would be cut down for fuel, and when the Chinese commenced to rename the streets—the Japanese having changed the original names given by the Germans—everybody winked their eyes significantly, and the British editor of the Japanese propaganda sheet gave it as a sign of "coming decay." This gentleman also predicted that the city would shortly be "overrun by bandits." There was a bandit scare at first, it is true, but it resulted from Japanese machinations, the retiring Japanese military headquarters were anxious to prove that the Chinese could never protect the life and property of the foreigner as well as the Japanese had done. Tsingtao is a summer resort for the foreigners of Shanghai, Tientsin and Peking and even wealthy Russians from Harbin spend their summer vacation there. But that first summer of Chinese control, a smaller number of vacationists went to Tsingtao, the remainder keeping away because "of the risk." It was seen is due course, however, that not only were the Chinese capable of protecting the foreigners but that the city, instead of falling to the status "of the average Chinese city" continued to develop under Chinese auspices; as for the trees, the Chinese maintained a Forestry Bureau under the energetic D. Y. Lin, an American-returnad student, and not only were the trees not cut down but the Chinese planted more trees than the Germans and the Japanese had ever done before them. One hears very little of the "decay of Tsingtao" these days.

A Comparison

Mention of Tsingtao brings us to Canton. It is said of China that she is still in the Middle Ages. "Her great treaty ports are all the work of the foreigner," the die-hard states, "and her own cities still savor of the thirteenth century—or farther back." The battlemented walls, the narrow streets, the crowded houses, the primitive shops and, above all, the widespread filth and squalor are typical "of the average Chinese city." And Canton has long been famed as the examplar of all that was representative of "average Chinese cities." Her city walls, her narrow streets, her crowded houses, her primitive shops, yes, even her filth and squalor have been long heralded as the things of interest to the visitor of the largest city of China. As the steamer passes Whampoa, then, the traveller begins to adjust his eyes for the familiar sights, and mayhap his nose for the familiar smells of China.

But what a surprise awaits him! He does his best to pick out the walls from the ship—but there are none. The Cantonese having decided that there was nothing particularly beautiful nor significant about their walls, had them pulled down. And where they once stood there are broad avenues, curbed and paved, which serve as arteries for a great stream of traffic. And the automobiles and autobuses and antotrucks are fast chasing off the ricshas and the carts from the streets. The motorbuses hurtle along with their loads of *blase* passengers reading the latest newspaper or swaying at the end of a truly metropolitan strap.

There are, of course, many narrow streets in Canton still, with crowded houses, but no longer are they symbolic of "the average Chinese city." Canton has helped Tsingtao to dispel the foreigner's misconception concerning the inability of John Chinaman to do constructive work. Every time there is a fire —and the fires of Canton are as frequent and disastrous as the "Flowers of Yedo" which used to terrorize the citizens of the Japanese capital—all rebuilding is under the supervision of the Government and the authorities always make it a point to set the new structures back far enough to make the new street wide enough to take care of modern requirements in the way of efficiency and sanitation.

A Modern Bund

The Shanghailander points with pride to the skyline of the Shanghai "Bund", but the "Bund" of Canton is no shabby collection of mudwalled shacks, supported by stilts to keep them from sliding into the river. There are many buildings along the "Bund" of Canton and for that matter throughout the city that would do justice even to proud Shanghai. The many-storied structures on the "Bund" and along the principal thoroughfares give the Southern metropolis an appearance of modernity, in keeping with the aggressiveness and the up-to-dateness of the Cantonese.

One short hour in the city is enough to give one the impression of a people determined to forge ahead. Hustle is seen from morn to night—from the waterfront coolie to the business magnate, time seems money to everyone in Canton. It is unlike Macao where progress is artificial, where revenues are solely earned from gambling, opium and prostitution, and where the *only* modern buildings are the two hotels erected by Chinese interests to take care of gamblers and pleasureseekers from Hongkong and Canton.

Hongkong is a monument to British foresight and enterprise, Canton is symbolical of the spirit of progress now prevailing in China, but Macao resembles the man who is only saved from petering out through the means of hypodermic injections!

Canton, November 12, 1928.

British Bishop Says Christians Have Been Unjust to Jews

A conspicuous feature of a two-day missionary convention held at York, England, last month, was an address by Bishop Ripon of the Church of England in which he stressed the failure of the Christian Church in its relation to the Jewish people.

It was not until April, 1927, he said that a really representative and organised attempt was made, at Budapest and Warsaw, by the Churches and organisations interested in Christian work among the Jews, to survey the situation comprehensively. That was something to confess with shame, he said, Anti-semitism was still a force, and a force with which some of the Churches seemed to be in sympathy in many so-called Christian lands to-day.

This widespread antipathy came, no doubt, from the bitter strife in which the Christian Church became involved in its earliest years. It was no longer justified, but quite frankly it was still here. His own first reaction to the call that brought him to that convention was one of reluctance, almost one of irritation, at having to voice the claims of a work which would probably appeal as little to most of his hearers as it had hitherto appealed to himself. A study of the subject, however, had made him ashamed of such indifference and such repugnance. What had been working a great change in the general outlook was the realisation of just how bad in this matter the record of Christendom was. In the face of such a record Christians had got to win back the right to preach Christianity to the Jews, by practising it towards them first.

"I should feel it to be insulting," said the Bishop, "to offer Christian teaching to any Jew, unless he came and asked for it, until I had first done something to show him Christian justice."

Regulations Governing Censors Yuan Being Drafted at Nanking

Dr. Tsai Yuan-pei, Chairman of the Censors Yuan, together with Chen Ko-fu, vice-chairman of the body, Ku Ying-feng, Yu Yu-li, Wang Shih-chieh and a number of others, according to a recent telegram from Nanking, are drafting the regulations which are to govern the organization of the Censors Yuan. The regulations governing the organization of the Examination Bureau and the Censors Yuan committee are expected to be completed within one and three weeks, respectively. The draft of the regulations will later be submitted to the National Government for approval. The date of the formal inauguration of the Yuan and its members has been temporarily set for January 1, 1929.

Dr. Tsai, Chairman of the body, has repeatedly handed in his resignation to the government, expressing a desire to devote his time and energy to the furtherance of cultural developments, but the Government has not taken any action.

Milk is Now Made from Coconuts in Manila

Milk and cream at prices approximately the same as those charged in the dairying districts of the United States were made available recently in Manila, according to the *Manila Bulletin*. The source of the milk is the Coconut Dairy, located on Calle Pureza, Santa Mesa.

The new milk is a vegetable product but is similar to cow's milk in appearance and quality and has the same food contents in slightly differing proportions. Its taste is unique, and is said to be delicious, and one who is not accustomed to drinking fresh cow's milk would have to taste Cocolait (the name under which the new product is marketed) twice to distinguish the difference. It is admitted, of course, that the milk has a coconut flavor.

Japanese Plea for Unity is Huge Joke Hongkong Thinks

The Japanese plea for unity among the Powers vis-a-vis China seems to be enjoyed in Hongkong as a huge joke. It is recalled that for some years the propagandists of countries with their own axes to grind in China have threatened and cajoled, drawing each other's attention to the "traditional Chinese habit of playing off one Power against another," emphasizing the "community of interests," warning that "divided we fall." Discouraged and disillusioned, most of these propagandists have ceased their clamor, and now that a belated echo comes from Japan it has aroused but mild enthusiasm. In Hongkong, recalling the glee of the Japanese when the anti-British boycott in South China caused them to profit from it, the British are laughing up their sleeves over the present Japanese suggestion of co-operation. It is significant that even the Hongkong papers, usually so friendly toward the Japanese, are making light of Tokyo's advances. The *South China Morning Post* for example says that the Japanese plea for unity "falls upon tired ears." In 1925 Japan was not averse to the isolation of Britain. "At that time," comments the *Post*, "when the full fury of the Bolshevist campaign in China was being directed against ourselves, there was none over-eager to hold the bridge with us." The net result was that "British interests suffered a set-back, and eventually Britain wisely if willy nilly decided upon a bold tindividualistic policy." Hence the generous declarations of 1916 and 1927.

The Folly of an Unsympathetic Attitude

The Hongkong paper is not quite accurate when it blames Bolshevist influence for the campaign against Hongkong. They in the British colony failed to appreciate in those days, as they no longer do now, the folly and futility of being unsympathetic towards the just aspirations and aims of a nation in transition. They also failed to realize, as they no longer now do, the danger of permitting reactionary Shanghai to take the lead in Sino-British relations. Fortunately for Hongkong, and to the chagrin of the Shanghai die-hards, the British colony had for its governor a man of broad vision and unbounded intellect. Sir Cecil Clementi will always be remembered as one of those intellectual Britons who were not at all afraid to assume the role of pioneers of reconciliation.

Japan's Unhappy Position

Japan's revived emphasis upon the need for unity dates from 1926 and 1927 and in the circumstances the British at Hongkong feel they should be permitted to examine Japanese motives and professions very closely. The Japanese advances for unified action are somewhat vague, in the opinion of Hongkong. Japanese ideas of necessary protective measures in China are not precisely Hongkong's ideas. Japanese insistence upon "rights" in Manchuria "purchased with blood and treasure" does not commend itself altogether to the Hongkong mind. Japan's unhappy position with regard to unsecured loans is not exactly the British position. It is felt that it will be necessary to confine the understanding to such problems as are truly common to the Powers. By patient effort Britain has rescued herself from a position of great unpopularity and her improved status cannot be risked without deep consideration. "With this reservation, we shall be happy to co-operate with Japan," the *South China Morning Post* says, "and happier still if all the interested Powers can be brought into the agreement." The paper then concludes :—

> "In this connection the Japanese utterances contain a cryptic reference to America, whose participation is to be obtained 'if possible.' In that quoted phrase seems a subtle hint, and it will be interesting to observe the Washington reaction. We trust there will be no misunderstanding, and particularly that there will be no hasty committal to impracticable engagements. Whether Tokyo's long shots have their target on the Yangtze or other diplomatic guns be elevated for greater range, the position for the foreigner in China is the same. The future of Hongkong, of Shanghai and of the China market generally may not rank highly in value as diplomatic pawns, but we of Hongkong have ourselves to consider along with the Imperial interests. We shall not relish the prospect of being sacrificed for diplomatic triumphs whose benefits may be problematical and at best temporary."

It cannot be too often repeated that the Hongkong mind is an entirely different thing to the Shanghai mind. There was a time when a handful of "die-hard" *taipans* sought to dominate the situation but their influence to-day is almost nil when it comes to Sino-British relations. Nobody trusts them any longer and they are wise enough to keep mum. For another thing, Sir Cecil Clementi has succeeded in introducing a policy of moderation in regard to Hongkong-Canton affairs. There can be no question of ill-will between Hongkong and Canton at this time. Trade is still the best barometer in such matters—and British trade in South China has largely supplanted the Japanese trade. British ships in South China are carrying full cargoes whereas Japanese vessels are running practically empty and but for their government's subsidy to keep the Rising Sun flag flying, would have long since been withdrawn from the South China coast.

No Sympathy for Japan in Hongkong

In Hongkong to-day there is little—if any—sympathy for Japan's predicament in China. Nearly all agree that the Tanaka policy is a bit too thick, if one may use a vulgarism, for this era of international liberalism. "Rights" and "interests", Hongkong feels, are things of the prewar past when secret diplomacy was the rule rather than the exception. Hongkong, having been once bitten, is now proverbially twice shy—and Hongkong (Shanghai "die-hards" must not overlook this point!) has a great pull with London these days. Japan's plea for joint action among the Powers in respect of foreign relations with China falls on deaf ears indeed in so far as Hongkong is concerned. Hongkong feels that if there is going to be any concerted action at all, it should be in the direction of pointing out to Baron Tanaka that Manchuria is an integral part of the Chinese Republic. It also feels that Japan has no leg to stand upon in the matter of still maintaining troops at Tsinan for the purpose of keeping the Shantung capital out of Nationalist control. And Hongkong is still awaiting to hear what the *real* Japanese explantion is of the bombing of Chang Tso-lin's special, with such fatal results. Until Japan shows greater sincerity (to quote Tanaka's popular phrase) in her relations with the nations, Hongkong cannot but continue to feel amused, if somewhat indignant, over Tokyo's presumption to lead the Powers in China.

J. A. J.

Hongkong, November 25, 1928.

U. S. Big Business "Recognizes" Russia

An entering wedge which may ultimately lead to official recognition by the United States is seen by Soviet newspapers in the contract recently signed by the Soviet Union with the International General Electric Company, of New York, under which the electrical concern is to export to Russia between $21,000,000 and $26,000,000 worth of machinery and equipment. The president of the International General Electric Co is Clark H. Minor who was formerly general manager of the China Electric. Co., Ltd. in Shanghai. The *Literary Digest* in summarizing American newspaper opinion says it is believed that an understanding exists whereby the cost of satisfying the General Electric's claims against the Soviet Government is "tacked onto" the price it is charging for its electrical apparatus.

According to the Amtorg Trading Corporation, of New York City, commercial representatives of the Soviet Government in the United States:

"The six-year purchasing contract signed with the International General Electric Company for long-term credit purchases from that company involves a total sum of from $21,000,000 to about $26,000,000. The arrangements made include technical cooperation.

"The Soviet Union is now the chief European market for American agricultural machinery. It is the third largest European market for American electrical machinery. It stands sixth among all foreign countries importing American cotton, and eleventh among those importing American industrial machinery.

"Before the war Russia's annual purchases in the United States were only $40,000,000. During the Soviet fiscal year, ending September 30 last, Soviet orders placed in the United States amounted to nearly $100,000,000. During 1926-1927 they were $72,000,000, and in 1925-1926 they were $49,000,000.

"It is interesting to note that the Soviet Union has so far recovered from the war and the revolution that its purchases here are 250 per cent. of those of 1913."

Will the Soviet-General Electric deal have any effect on the U. S. State Department's attitude toward recognition of the Moscow regime? On this point the Indianapolis *News* says:

"Our Government, through all administrations since the Communists overturned government in Russia, repudiated contracts, and seized property belonging to foreigners as well as lands and goods owned by Russians, has stood out rigidly against recognizing Soviet rule until reparation is made. There has been some discomfort resulting from the absence of ministers and consuls in Russia, but American trade has, notwithstanding this disadvantage, steadily increased in volume. No sign has been given that the American attitude has changed, but Russian newspapers are expressing the hope that the General Electric contract will be the opening of the way to formal recognition."

One thing is certain, believes the Brooklyn *Eagle*: "If American claims against Russia are settled, one of the obstacles in the way of official recognition disappears."

China Triumphs in Walking Race

China won a sweeping victory on December 2 in the International Walking Race in Shanghai, the biggest annual athletic contest of any city in the Far East. China's triumph was overwhelming. Not only did the Chinese team win the International team contest with a total of 28 points (twelve points better than their nearest rivals, the French, who had 40), but the first man in was a Chinese, Chow Yu-yu, who won with more than four minutes' margin over the second walker, the Irishman W. J. Young. The winner's time is the fastest made over the course since its modification three years ago, though not as fast as that made four years ago before the change.

First, fourth, and fifth men in were Chinese. The only other team represented among the first six walkers was Ireland, with Mr. Young in second place. Third and sixth came unattached walkers, one an American and the other a German, neither belonging to a team.

China's win would have been still more overwhelming had it not been for a slight error of judgment with regard to choosing the fourth member of their team. A Chinese walker, Loh Yu-dien, came in sixteenth, but he was not a member of the team, Wu Mao-kaung, the fourth team member, finishing twenty-sixth. Had Mr. Loh been chosen for the team the record would have been a remarkable one, as the team total would have been only twenty-one points, and the French team, their nearest competitors, forty-one,—a margin of twenty.

China's Victorious Walking Team: Left to right, the Walkers are: Chang Chao-chung (4th); Chow Yu-yu (Winner); Shih Ching-sun (5th) Wu Mao-kung (26th).

"Perfect Walking"

Mr. Chow, the winner, not only came out first in the race, but opinion was unanimous that his style was absolutely flawless,—"perfect walking." There has been criticism of some of the competitors at times, and charges made (usually by Britishers against other nationalities) of unfair walking, but Mr. Chow's style was so absolutely perfect that there was no room for criticism whatsoever, and there is no doubt that he was being very closely watched throughout. The other Chinese competitors also walked in excellent style.

The International Walking Race of Shanghai has been until recently a competition mainly of Europeans. There have been American competitors at times, and recently Japanese walkers have entered, but this is the first time that China has been victorious, either as a team or with regard to individual walkers. It has now been a quarter of a century since the walking race was established as a big annual event here, and in all this time it has been dominated by Europeans, particularly Britishers. Even today, as regards the committee and general organization of this event, it is predominantly British. When an American athlete suggested once that the international walking rules be adopted and enforced in Shanghai, a barrage of insult was at once opened upon him in British papers, actual officials of the Walking Race participating in this campaign, though he was one of the competitors,—the papers at the same time refusing to print his responses. He was successful, however, in having one of the rules adopted, and defeated all Britishers in the walk that year, being beaten himself, however, by a Japanese,—Sakurai.

Under such circumstances, the difficulties of a Chinese team are obvious. One prominent Chinese sportsman remarked to the writer privately, before the race this year, that he hoped the Chinese team would not win, as it would result in such nasty and bitter attacks upon them from many British "sportsmen." In spite of everything, however, the Chinese have won a magnificent victory.

First Team in 1926

The first Chinese team entered was in 1926. That year one Chinese walker came in fourth. Last year other Chinese walkers showed up well, and this year, after a period of hard and steady training, came victory. Their strenuous and unremitting work, carried on for months before the walk, had brought its reward.

Mr. Chow, the winner, took the lead from the very beginning of this year's competition, side by side with W. J. Young, last year's winner. Though local newspapers reported differently, these two were in the lead from the first hundred yards, followed by a German, an Englishman, and an American. The pair maintained a constant lead over the other walkers throughout the race, and kept close together until the eleventh or twelfth mile, when the Chinese began to forge ahead. At the thirteenth mile hewas leading by 150 yards, and by the end of the seventeen miles onehundred yards he was more than 600 yards ahead of the Irish walker.

The next Chinese to come on also walked steadily and well, doing no sprinting at the start but keeping a fast but regular pace throughout. These were Shih Ching-sun and Chang Chao-chung. During the first six miles they were never within the first half-dozen walkers, but here they began to draw up, Mr. Shih taking fourth place from Mr. Howard, the veteran American walker, at the seventh mile, and taking third place from the German lad, Neugebauer, a mile further. Mr. Chang drew up to sixth place at the twelfth mile, to fifth at the fourteenth mile (passing Neugebauer), to fourth at the fifteenth mile (passing Howard) and to third at the sixteenth mile (having passed his team-mate Shih). In the last mile the American walker passed the two Chinese, Mr. Chang coming in fourth and Mr. Shih fifth.

American Is Third

Mr. Howard, the American who finished third, was the trainer of the first Chinese team three years ago, and worked with the committee of the team this year. In addition to winning third place, he won the special prize for the oldest competitor to finish. In view of his limited training this year (he having had but three weeks' preparation before the race) his showing was not discreditable.

In the team competition the French were second, with forty points, and the English third, with forty-one points. Ireland had a total of forty-six points, Portugal fifty-five points, and "Palestine" ninety points.

The following men finished within the time limit of 2 hours 15 minutes:

1. Chow Yu-yu (China); 2nd W. J. Young (Ireland); 3rd H. Howard (Ind.); 4th Chang Chao-chang (China); 5th Shih Ching-sun (China); 5th W. Neugebauer. (Ind.); 7th C. A. Wright, (England); 8th J. Remedios (Portugal); 9th P. Guhur (France); 10th R. Chaillan (France); 11th D. Murphy (Ireland); 12th L. B. S. Golds (Ind.); 13th M. Fournage (France); 14th A. Green (England); 15th A. Seaborn (England); 16th Loh Yu-dien (Ind.); 17th C. L. Gabb (England); 18th A. S. Ozorio (Portugal); 19th P. O'Connor (Ind.); 20th L. Dedun (France); 21st J. Azavedo (Portugal); 22nd W. Hunter (Ind.); 23rd R. V. Casey (Ireland); 24th W. L. McCann (Ireland); 25th F. N. Carneiro (Portugal); 26th Wu Mao-kung (China); 27th A. Harding (Ind.); 28th Kya Chung-lieu (Ind.); 29th R. Flower (Ind.); 30th Yee Bih-poa (Ind.); 31 M. D'Arcy (Ind.); 32nd 33rd 34th, 35th M. Gotfried H. L. Blaiman, A. Gotfried, I. R. Cohen (Palestine team); 36th A. Lozach (Ind.); 37th C. Dalzell (Ind.); 38th G. Lerolle (Ind.); 39th G. Poignant (Ind.); 40th R. T. Roach (Ind.).

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The Next Move in the Sino-Japanese Situation

BY J. B. P.

The Chinese Position

Dr. C. T. Wang, Minister of Foreign Affairs of the National Government on December 2 declared,

> "From the standpoint of our relations with Japan, we are adhering to our policy. If the Imperial Japanese Government can resume negotiations with us in a spirit of perfect sincerity, we will not decline. But if Japan is in no hurry to enter into negotiations, we shall be obliged to let things remain as they are."

The Japanese Position

General-Baron Tanaka, Premier and Foreign Minister, made the following report regarding Japan's position in respect to the negotiations with China to a meeting of the Japanese Cabinet on Nov. 30,

> "The Sino-Japanese negotiations have so far made no progress. Regarding the Tsinan incident, the National Government demands the withdrawal of Japanese troops and declares that unless the withdrawal of Japanese troops is effected, China will not continue the negotiations with Japan. The Chinese authorities are taking a firm attitude also in regard to the treaty question. The Japanese Government does not intend to take a positive attitude, since the matter of resuming the negotiations depends upon the attitude of the Chinese. The firm attitude of the Chinese authorities is attributable to their domestic policy. In view of the fact that the National Government is trying to increase its power and maintain control of the Kuomintang Party by postponing the conference of the Party until next March, it is to be expected that in due course China will come to feel disposed to resume her negotiations with Japan. There is at present no alternative for Japan but to wait until such time arrives."

These statements by officials of the Chinese and Japanese Governments were issued through the official *Kuo Min* and *Toho* agencies, organs ot the Chinese National and Japanese Governments respectively, and therefore indicate pretty accurately the attitudes of the two governments, or at least the attitudes which they are willing to divulge to the public, The unofficial conversations which had been proceeding between the two governments, conducted on the Japanese side by S. Yada, Japanese Consul-General at Shanghai and on the Chinese side by Dr. C. T. Wang. Minister of Foreign Affairs, were suspended on Nov. 23 when Mr. Yada returned to Shanghai. Since that time nothing further has been done on either side looking toward a resumption of negotiations, or more accurately speaking "conversations" since Mr. Yada, being a Consul-General, was not authorized by the Japanese Government to conduct the actual negotiations. The Chinese contention that General-Premier Tanaka's purpose in sending Mr. Yada to Nanking was largely for domestic political purposes in Japan, seems to have been borne out, because the domestic political situation in Japan seems to largely center on the question of China policy.

Tariff Discussions Continue

But while the so-called "diplomatic conversations" between Wang and Yada have broken down, it is interesting to note that "conversations" between Mr. Yada and T. V. Soong, National Minister of Finance on the Chinese tariff question have continued, and according to report, with somewhat better results. It is an anomalous situation when negotiations between two countries break down on one point and are continued on another, but this is exactly what has been happening in respect to the Sino-Japanese situation. The reason for the continuance of the Yada-Soong negotiations has been due to the fact that China requires, or at least would like very much to obtain Japan's assent to the coming into effect of China's tariff autonomy program which was originally scheduled for Jan. 1, 1929, less than a month in the future. Last week, Mr. Soong announced to newspaper correspondents in Shanghai that it was the Government's intentions to announce the new tariff schedules on December 1 and put them into effect on February 1, but the fact that the announcement was not issued on December 1 has led to the belief that Mr. Soong was continuing his conversations with Mr Yada and hoped for an agreement. It was reported in the Chinese press that the National Government is determined to go ahead with the announcement of the new tariff schedules regardless ot the Japanese position, but the accuracy of this statement remains to be seen, or at least remained to be seen when these lines were written on Tuesday, December 4.

According to an interview with Chang Fa-yung, Superintendent of the Chinese Tariff Administration which was circulated to the press by the Chinese *Kuo Wen* news agency on December, 4, the new tariff schedules have already been decided upon and are ready to be announced. Owing to the work involved in drafting the new schedules, tariff autonomy will not be announced on January 1, but on February, since two months will be required between the announcement and the actual enforcement in order to give merchants an opportunity to adjust their transactions. Mr. Chang also stated in the interview that the Government expected to realize increased revenues amounting to approximately Tls. 30,000,000 a year.

Mr. Chang said nothing in this interview regarding the Yada-Soong negotiations, but according to a report dealing with these negotiations which appeared in the *Sin Wan Pao* on December 4, Mr. Yada demanded that after the enforcement of the new tariff that the increased revenues must be used for liquidating Japan's unsecured loans to China. Mr. Yada is also said to have demanded the abolition of likin and other transit duties. The report in the *Sin Wan Pao* went on to say that Mr. Soong had agreed to use the sum of $5,000,000 from the first years's increased customs revenues for the liquidation of the Japanese loans and this amount would be increased annually as China's ability to pay increased proportionately. In view of the fact that the $5,000,000 which Mr. Soong agreed to set aside is said to be insufficient for even paying the interest on a small portion of the defaulted Japanese debts, it was stated that Japan had refused to consider it, but Mr. Yada personally was said to be favorable and had reported according to Tokyo, stating that Mr. Soong's offer indicated the sincerity of the Chinese on the question. Nothing further on this point has appeared in the press, but the report is interesting nevertheless as showing that the Japanese have actually made their consent to China's tariff autonomy program contingent upon China's agreement to use the increased customs revenues for liquidating the Japanese debts.

As stated in the foregoing, China's decision to agree in a small measure to the Japanese demands has been due to the high necessity for obtaining Japan's consent to the tariff autonomy program because of the National Government's urgent necessity to obtain further revenues for carrying on the reconstruction program.

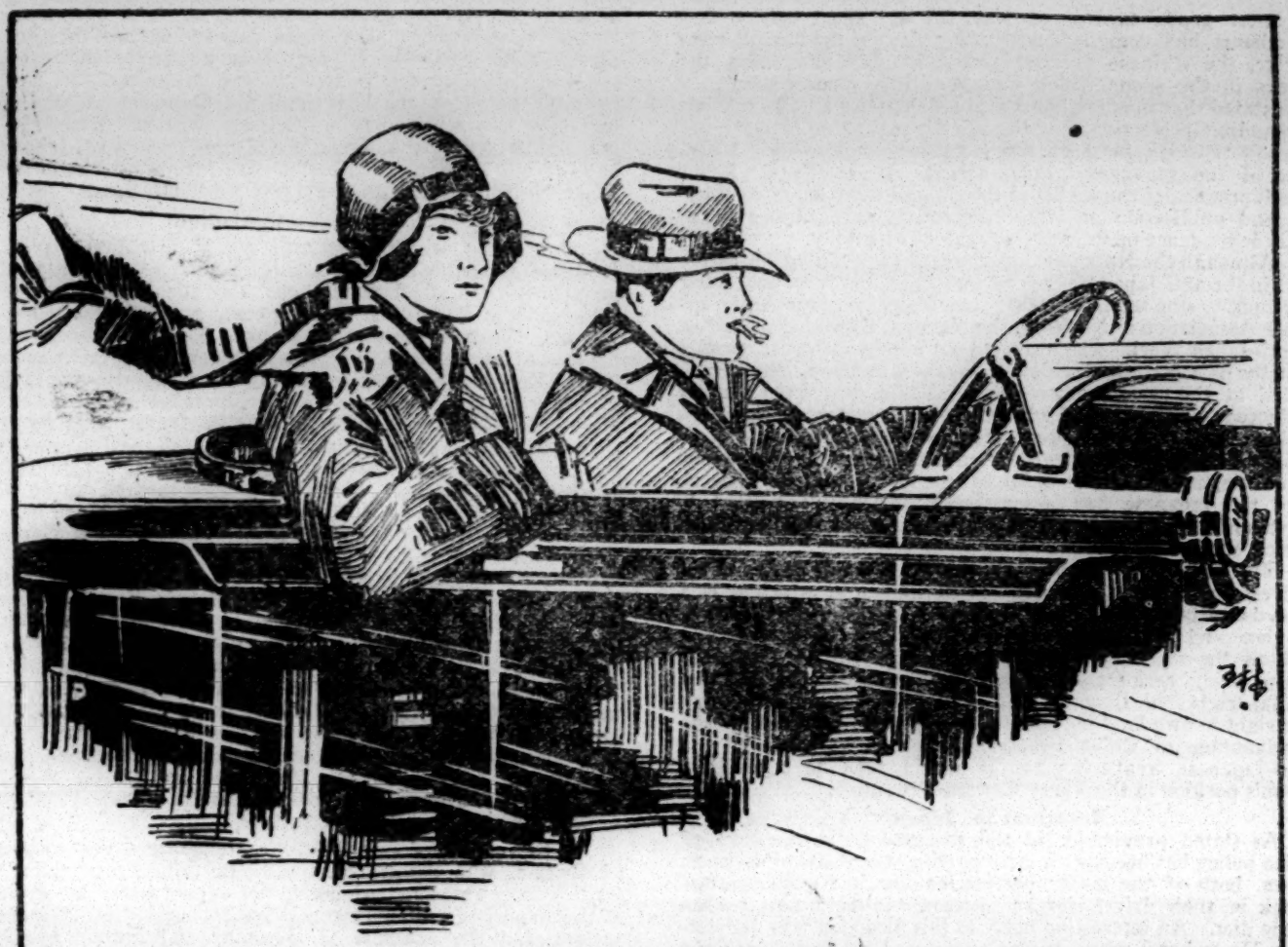
Diplomatic Breakdown Helpful

Since China is making rapid progress in the negotiation of new treaties with the other Powers on both the tariff and extraterritoriality questions, the breakdown of the conversations with Japan has actually been helpful from a domestic political standpoint in China. Recently the National Government has been passing through a crisis from the standpoint of politics within the Kuomintang Party, the Central Party Committee in Nanking being the target for attacks on the part of the more radical members in the branch organizations. This clash within the Party has been indicated in the recent decision of the Central Executive Committee to postpone the meeting of the Kuomintang Congress from January 1 to April and in addition to this the decision of the Central Party Authorities in Nanking to nominate at least half of the delegates to the forthcoming Congress which the branches throughout the country are to send to the General meeting. The radical members in the branches have attacked this proposal and have been charging the Central Organization with ultra-conservatism and with the adoption of a too weak attitude in dealings with foreign nations, particularly Japan on the treaty question. It was stated that a few days previous to the actual discontinuance of the Wang-Yada conversations that the Kuomintang Party Organ in Nanking published a strong attack on the Government regarding the Japanese negotiations which was largely responsible for the stiffening of Dr. C. T. Wang's attitude on the question of the withdrawal of the Japanese troops from Shantung before China would consent to a continuance of the negotiations.

The break-down of the negotiations has therefore been of benefit to the Government in consolidating public opinion, or at least Party opinion, behind the Government in its dealings with Japan. It has also been of considerable help to the organizations which are pushing the anti-Japanese boycott, the motive behind this movement being two-fold: to force a change in Japan's policy; and to help the Chinese merchants and industrialists in pushing their "native-products" campaign, the Chinese merchants not being slow to see the benefits to themselves in driving out Japanese goods, most of which can be produced in China much cheaper than the imported Japanese products.

Anti-Japanese Boycott Serious in the North

According to a *Nippon Dempo* news agency dispatch appearing in the *Japan Advertiser* on November 29, practically all Chinese merchants in Tientsin on Nov. 27 closed their doors as a result of the anti-Japanese boycott drive in that city which was forcing all Chinese merchants to submit to an examination of their stocks in order to have all Japanese goods registered. The date for the merchants to submit lists of



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Japanese goods expired on Nov. 28 and since only a few merchants had complied with the orders of the boycott committee, the Chinese pickets started forcibly examining the stocks in the shops which were handling Japanese goods. It was stated that the merchants sent a delegation to the officials demanding protection, but the officials refused to interfere, as a result of which most of the merchants closed their shops. One of the Japanese articles seized was news-print paper which practically caused all of the Chinese newspapers to either suspend publication or issue editions of reduced size due to their dependence upon Japanese sources of supply.

Although the National Government is not taking an active part in the anti-Japanese boycott and agitation, it is not doing anything to stop the movement. On December 3 the Anti-Japanese Association in Nanking, the National Capital, declared an "Anti-Japan Week" which started out with a motorcar parade with the pars decorated with anti-Japanese banners. The parade called at the carious government buildings where the leaders delivered addresses and when they reached Gen. Chiang Kai-shek's headquarters they presented a petition demanding that all Japanese troops be withdrawn from Shantung before resumption of negotiations; that China refuse to resume negotiations until the Japanese had demonstrated "sincerity;" and that all outstanding Sino-Japanese questions must be discussed and settled simultaneously.

The *Sin Wan Pao* on December 4, printed a report of an address by Sun Fo, Minister of Railways in which he was quoted as attacking the clause in the recently negotiated Sino-Belgian and Sino-Italian treaties granting Belgians and Italians the right to own land in the interior of China, the clause being reciprocal in that Chinese were also granted similar rights in Belgium and Italy. According to Mr. Sun this right to own land in the interior would work out to the disadvantage of China if a similar clause was included in a Sino-Japanese treaty because it would tend to consolidate Japan's position in the Three Eastern Provinces.

Reactions in Japan

As stated previously in this discussion, the question of China policy has become an active domestic political issue in Japan, both of the major parties making it a chief point of attack in their drives for an advantage in the coming session of the diet. An interesting move in this direction was indicated on December 3 when it was announced through the *Toho* news service that Mr. Tokonami, head of the Shinto Club, a political organization in Tokyo was coming to China for the purpose of making an investigation. The Shinto Club is a sort of ultra-patriotic group of politicians which has been attacking the government on the question of China policy. Recently it was announced that negotiations had opened between the head of the Shinto Club and General-Baron Tanaka for an amalgamation of political forces. The decision of Mr. Tokonami, the head of the Shinto Club to visit China is apparently in that connection. At the same time the *Toho* news service announced that a mass-meeting of the Minseito, or chief opposition party had been held at which resolutions had been adopted to demand the resignation of the Government, largely on the grounds of the failure of its China policy.

DEPRESSION IN JAPAN'S TRADE

An indication of the extent that Japan's trade with China and in the South Seas where Chinese commercial influence is predominant is being adversely affected by the Chinese boycott was shown in the following translations of editorials from various Japanese newspapers which appeared in the *Japan Chronicle* (British) on November 30.

Commenting on the inactivity of Japan's export trade with China and the South Seas, the *Chugai Shogyo* urges that something effective should be done by the Government and the exporters concerned in order to improve the situation. Notwithstanding the fact that it is of paramount importance that the export trade with China and the South Seas should be improved, it says, a marked decline occurred in the country's trade with China at the end of last year, and although there has been some recovery this year, the outlook does not encourage optimism. As regards the country's export trade with the South Seas, the decline has become more marked this year. There is no doubt that the direct cause of this decline in the exports to China and the South Seas was the boycott of Japanese goods in China, and consequently it may seem at first sight that with the termination of the anti-Japanese boycott, there will be an improvement in the trade, but if the present situation be turned to account by foreign competitors in the Chinese and from the boycott of these Japanese goods be ousted by foreign goods, the present blow to Japanese commercial interests may remain irretrievable. One consolation, however, is that most of Japan's export to China and the South Seas are of a kind which are at once very important to the consumers and exposed to comparatively little competition from foreign rivals. It is, in these circumstances, obvious that consumers generally have to suffer disastrously from the boycott of these Japanese goods. The Tokyo journal abvises the Japanese exporters concerned to take this fact into due consideration and not to be over-anxious about the temporary blow which they suffer from the present anti-Japanese boycott. If they bear up under the present setback, preparing assiduously in the meantime for future activity and if, at the same time, the Government take such measures as are necessary for helping their future activity. it may not be altogether difficult to turn the present anti-Japanese boycott into helpful stimulus to the future development of Japan's export trade with China and the South Seas.

Lack of Co-Operation

One thing which deserves careful attention is that Japanese exporters to China and the South Seas being mostly merchants of limited means, the blow dealt to them by the anti-Japanese boycott is quite severe, proceeds the *Chugai Shogyo*. To make matters worse, this blow has accentuated the lack of co-operation, which has always been present among them. Reckless competition among them has naturally led to the ruin of many. If this deplorable state of things be allowed to take its own course, it is to be feared that by the time the anti-Japanese boycott ceases, all the Japanese exporters concerned will have gone bankrupt, with the inevitable result that the markets which have been opened up by the traders after years of hard labor would fall into foreign hands. It is already observable that British, American and German traders are showing much activity with a view to snatching the markets from Japanese hands. Particularly remarkable is the activity shown by German merchants in this direction. It is therefore high time that the Japanese authorities should seriously study the measures to be taken to prevent grave obstacles arising in the country's export trade with China and the South Seas. What form these measures should take is no easy matter to decide, but among other things it may be suggested to the Japanese exporters concerned that they should try to act in co-operation in future, instead, of indulging in suicidal competition with one another. At the same time, the Government may be urged to devise measures such as are necessary to help forward the activity of the exporters.

In the opinion of our Tokyo contemporary, the example of Britain, who despite her traditional *laissez faire* policy in trade, is now bent upon promoting her export trade by means of the export credit guarantee system and the insurance system, and the example of Germany and France, who are also at great pains to enforce similar systems, ought to stand the Japanese authorities in good stead in working out their measures for the development of the country's export trade. At any rate, as the development of Japan's export trade with China and the South Seas has an important bearing on her foreign trade as a whole it is incumbent upon the Government and the traders concerned to work in close co-operation in finding adequate measure for promoting it, the *Chugai Shogyo* concludes.

High Prices

The *Tokyo Nichi Nichi* also waxes despondent over the inactivity of Japan's foreign trade generally. Many causes may be assigned to this, it says, but the main cause may be found in the high prices of commodities ruling in this country. Taking the figure in July, 1924, as 100, the index number of prices of commodities ruling in Tokyo in October this year was 198 against 148 in London and 151 in New York. This high level of prices in this country is due largely to the reckless financial pursued by the Government. So long as there is no reform in the financial policy, there cannot be a reduction in the prices. As another important cause, fluctuations in the exchange rate may be mentioned. The only effectual way to prevent sharp fluctuations in the exchange is to lift the gold embargo. The boycotts of Japanese goods in China and elsewhere are another important contributory cause of the depressed state of Japan's trade. The marked decline in the export trade with the South Seas may be mainly ascribed to the boycott of Japanese goods by Chinese merchants, and this cause cannot be removed except through the pursuit of a wise and effectual diplomacy by the Government. The *Tokyo Nichi Nichi* fears that unless positive and thoroughgoing measures of improvement are quickly forthcoming, the economic world will be reduced to a hopeless condition and the country's trade will go to rack and ruin.

China Famine Relief Commission Issues Bulletins on Situation

The China International Famine Relief Commission, whose head office is at Peiping, has commenced the issue of a series of bulletins concerning famine condition in the northern provinces of China. The result of enquiries in the nine provinces of Suiyuan, Chahar, Shensi, Shantung, Hopei, Hupeh, Honan, Kansu and Shansi, showed that destitution is widespread. Enquiries in Chowtsun, Tsining and Laichowfu, however, showed that there was no famine there and that the situation at Paoshahsien was not serious. At Kuanhsien in Shantung, 100,000 were reported as being destitute.

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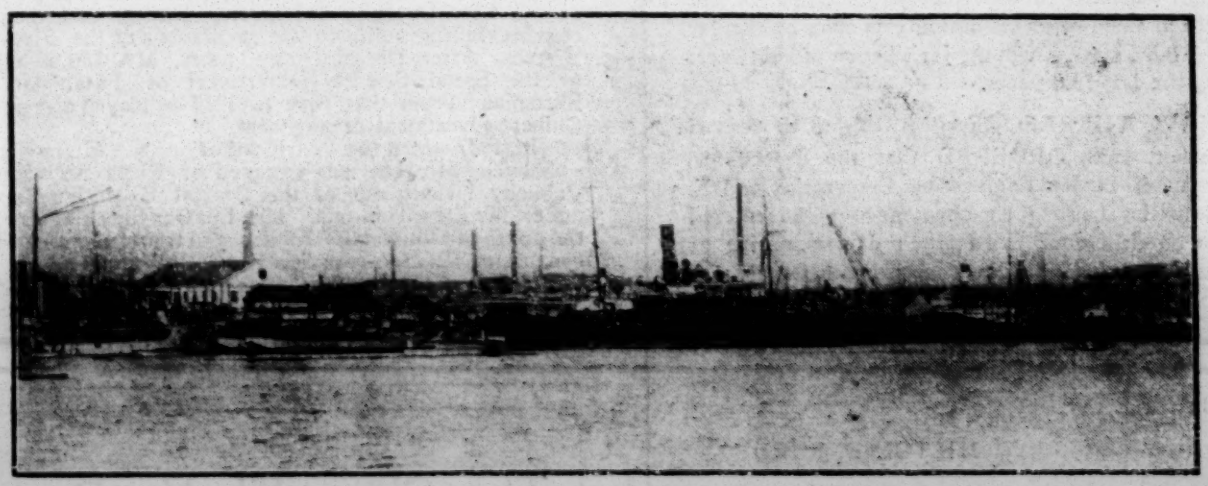

In the United States Court for China

THE HARBIN ELECTRIC JOINT STOCK COMPANY, LTD.
Plaintiff,
vs.
BECKMAN & LINDEN ENGINEERING CORPORATION
E. W. BEARDSLEY
THE NATIONAL CITY BANK OF NEW YORK
Defendant.

Cause No. 2958
Civil No. 1214

ORDER.

Filed at Shanghai, China, November 27th 1928.

JAMES M. HOWES
Clerk.

ORDER.

The object of this suit is to recover from The National City Bank of New York certain deposits in the sums of Harbin $225,741.52, and Harbin $239,-441.22, together with interest thereon from the 25th day of June, 1927, to date of payment; and to obtain a judgment that the Defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, and neither of them have any right, title, interest or claim whatsoever to the said deposits.

WHEREAS plaintiff herein, by its attorney has this twentyseventh day of November, 1928, made application for the substitution of publication for personal service of summons upon the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley; and

WHEREAS it appears from the files of this case that on the 27th day of November, 1928, the summons for the said defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, was returned by the Marshall of the United States Court for China "Defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 27th day of November, 1928, Sidney A. Moss, of counsel for the plaintiff herein, filed an affidavit to the effect that the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley were not residing nor maintaining an office or regular place of business in the Republic of China nor had they been residing or maintaining an office or regular place of business within the jurisdiction of this Court during the last four years.

NOW, THEREFORE, it is this 27th day of November, 1928, ORDERED that the defendants, Beckman & Linden Engineering Corporation and E. W. Beardsley, cause their appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 5th day of January, 1929, the day of the last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON D. PURDY
Judge

Who's Who in China

Mr. S. T. Liu.

劉盧隱

(Liu Lu-yin)

Mr. S. T. Liu, is one of the older members of the Kuomintang and a veteran leader of the Chinese Revolution. He is a native of Yu Fong, Kiangsi province. He was born in 1894. He received his early education in his native province. Later he went to the U. S. A. and studied philosophy and political science in the University of California, where he graduated in 1921 with the degree of M. A. Whilst in the United States, Mr. Liu was made editor-in-chief of *Young China*, an influential revolutionary magazine devoted to the philosophical, political and social development of China. At one time he was the representative of the late Dr. Sun Yat-sen for the Overseas Chinese and also a member of the Delegation for the First Conference of National Representatives. When the late Dr. Sun Yat-sen became the Generalissimo, Mr. Liu was appointed acting head of the publicity department of the Central Executive Committee and Chairman of the Law Drafting Committee. During that time he was responsible for outlining the regulations of the Five-Council System. After Dr. Sun passed away, Mr. Liu became Dean of the Social Science Department of Futan University, Shanghai. From that time to 1927 he played a great part in Chinese educational development.

In 1927 when the "purification" of the Kuomintang was completed, Mr. Liu was engaged as Chief Secretary to the Publicity Department of the Central Executive Committee under Mr. Hu Han-min. Mr. Liu was the chief secretary to the group of Nationalist leaders who traveled abroad in 1928, comprising Hu Han-min, Sun Fo, C. C. Wu and others. When the Northern Expedition was over and the Five-Council System was put into operation, Mr. Liu was appointed head of the Compilation Bureau of the Legislative Council under Mr. Hu Han-min, which position he now holds.

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ALBERT THOMAS' MISSION IN CHINA

(*Continued from page 51*)

life, working for the benefit of all members of the community as well as its own members.

If we want a society based upon justice and humanity, Mr. Thomas said, it will not come from a body of destitute and enslaved workers. It will come from a body of workers with a possibility of living decently and gaining some understanding of life. He would like to see the Chinese workers living in this way. He would like to see all workers living this way.

Labor Representation

While Mr. Thomas had not seen personally any manifestations of "White terror" in China, its existence was brought forcibly to his attention, his associate Mr. Philan having witnessed the execution of two alleged Communists in Wusih.

Under the circumstances, Mr. Thomas was much troubled by the difficulty of obtaining proper labor representation from China. The representative sent must be freely chosen by the workers themselves, through genuine unions which they control,—not a man hand-picked by the Government as being "friendly to labor."

An office of the International Labor Bureau will probably be officially established here during the coming year. In the meantime, a number of reports have been submitted by labor research workers here, and Mr. Thomas has arranged for further reports by the same parties.

Mr. Thomas left for Japan last Monday, December 3.

MR. YOSHIZAWA's POLICY TOWARD CHINA

(*Continued from page 55*)

alone who suffers, but the economies and national life of China are also unfavorably affected; and this is a complaint repeatedly heard from the propertied Chinese merchants and public. It is unthinkable to promote the economic recovery of China by destroying the trade relations between Japan and China, or placing them on an unnatural and unsatisfactory footing—a consideration which must be realised by the Chinese authorities and ruling class.

Obvious Remedy For Boycotts

Today, open anti-Japanese agitations or direct anti-Japanese boycotts are seldom met with throughout China. In North China the *Shuntien Shihpao* trouble is perhaps the only exception, but it is extremely regrettable to note the indirect boycotts have been pretty extensively practised in Central and South China and the South Seas, and it is most desirable that a speedy stop should be put to them in view of the close economic relations subsisting between the two countries. Events in the past however, show that anti-Japanese boycotts in China are mostly started for political reasons and by way of national or political demonstrations whenever a serious trouble or dispute arises between Japan and China. So they must cease as a natural consequence if Japan's sincere sympathies for China are fully understood by the Chinese people as a whole, and the pending problems are settled to the satisfaction of both parties. This is another reason why Japan should endeavor to understand the situation in China and assist her development in a friendly way, while at the same time it is to be hoped that the Chinese Government and leaders will be guided by a sound view of the state of affairs abroad and at home and show sufficient wisdom to act in harmony with the outer world in prosecuting their great constructive work.

National Foreign Trade Council of America Issues Statement on World Trade

The National Foreign Trade Council of America this year followed the usual custom of making an announcement on the condition of world trade on Armistice Day. The latest figures, the Council states, for 82 nations conducting 95 per cent of the world's trade show 1927 exports amounting to $22,864,000,000 at the rate of 1913 rate of the dollar. This figure is stated to be about half of what the world's trade would have amounted to had its normal rate of growth been uninterrrupted by the war.

Many American Peanut Buyers Arrive in China

M. J. Falkenburg of Seattle, President of the Pacific Coast Peanut Importers Association arrived in China recently and is at present at Tsingtao. Other American buyers who visited Tsingtao and other Chinese exporting centers this season are, D. S. Nunez of Edward L. Eyre & Co of San Francisco, P. C. Denroche of S. L. Jones & Co., Inc., San Francisco, A. H. Lustig of Pacific Orient Co., San Francisco J. A. Campbell of The Wilcox-Hayes Co., Portland Oregon, and Mr. Durel of Los Angeles.

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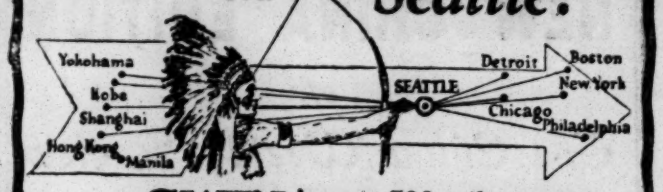

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THE CHINA WEEKLY REVIEW

J. B. Powell, Editor

4 Avenue Edward VII *Shanghai*

Men and Events

Henry Vitch of Tientsin has purchased a controlling interest in the Societe Francaise de Librarie in that city.

The *S.A.S. News* is the name of a very creditable Journal published regularly by the pupils of the Shanghai American School. Robert Barnett is the editor-in-chief.

C. Hewitt, the American engineer who has been appointed for the Central Mint in Shanghai, is due to arrive here December 14 on the s. s. *President Pierce.*

The American players, an amateur dramatic organization in Shanghai, successfully presented several days during the week "Moss Bound."

Dr. Chang Feng, a professor at China University, has invented a new system for the arrangement of all characters in the Chinese dictionary,

Advices from Peiping state that the entire Customs staff is packing and preparing to come to Shanghai, in accordance with imperative orders from the Government.

The Bureau of Labor Statistics, Department of Social Affairs, of which T. Y. Tsha is in charge, recently compiled a survey of earnings in the Shanghai district, based on a compilation of index numbers.

Dr. M. T. Z. Tyau. the well-known author and journalist, has been appointed chief secretary to the Waichiaopu. Dr. Tyau is a graduate of the University of London and holds the degree of LL.D. in international law.

The Metropolitan library at Peiping has issued its annual report for the year ending June last. Among the contents is a picture of the proposed new library building which is to be designed on purely Chinese architectural lines.

C. J. Smith, vice-president of the American Asiatic Underwriters has returned to Shanghai from a business trip to Manchuria. Mrs. Smith, who has been visiting in the United States, has also returned to Shanghai.

Hsisan C. Liu of Hankow, formerly connected with the Peiping-Hankow Railway and later commissioner of Foreign Affairs at Ichang, has established an engineering office in the Sheng Building, 29 Szechuen Road, Shanghai.

President Coolidge in his annual message to Congress referred to China, there he stated that the situation had much improved. American trade in China has been improved and American forces stationed in China are being reduced.

Chung Hua, a monthly journal published by the China Club of Seattle, in its September issue published an article by Fred H. Lysons in which he says that America's exclusion laws have "unnecessarily and gratuitously given China cause for resentment."

Edgar Hykes, son of the late Rev. John Hykes, (for many years head of the American Bible Society in China) and Miss Phyllis Clifton were married at St Joseph's (Roman Catholic) Church in Shanghai November 24. Both bride and bridegroon were born in China.

The proposed new Chinese Customs tariff was not made public during the week as had been previously expected it would be. The schedule is stated to be completed, copies to be handed to the representatives of the foreign Powers preparatory to its promulgation.

A Socialist motion in the French Chamber of Deputies November 30 advocating that France should relinquish her mandate over Syria on the ground of economy, was backed up by 200 votes. Premier Poincare's supporters marshalled 380 votes and defeated the motion.

Dr. C. C. Wu, special Chinese envoy to the United States, and Dr. Frank V. Lee, Chinese Minister designate to Mexico, were guests of honor at a dinner given by the Association of Foreign Press correspondents at the Fifth Avenue hotel, New York city, Thursday, November 8.

A bust of John Dewey, educator and philosopher, was unveiled November 9 before students and faculty members of Teachers College, Columbia University, New York city, in the philosophy of education library. Dr. Dewey attended the exercises. The bust is by Jacob Epstein.

R. E. Buchanan, Far Eastern manager of the United States Testing Co., Inc., of Shanghai and George D. Chernetz, laboratorian of the organization, have returned to Shanghai after a six months holiday spent in the United States, Cuba, Panama and the Hawaiian Islands.

The street car service of the Shanghai French Concession was paralyzed during the week by a strike of the Chinese employees. The same company also owns the electric light and water services, which are being maintained by foreigners. A French warship is stationed opposite the reservoir.

The revenue collected by the Shanghai Customs during November was Haikwan Taels 3,100,000 as against about Tls. 2,000,000 last year. The increase was mostly collected on

imports. Present indication are that the total collections at Shanghai will exceed those of the record year of 1926.

China's first motorcycle gymkhana will be held at Pioneer Field, Shanghai, on Sunday, December 9. This interesting affair is being held under the auspices of the China Associated Motor Cyclists, in which the Ryat Tong has been the most active figure. The gymkhana is due to start at 9.15 a.m.

"Chinese Business Men Puffed Up—With Genuine Soviet Gas" is the heading which the Japanese paper at Dairen in its issue of November 27 put over a *Dentsu* dispatch from Peiping stating that the Chinese merchants could not concede to the Japanese demands to have the Nishihara loans recognized.

Howard E. Cole, vice-president of the Standard Oil Co. accompanied by Mrs. Cole, who have been in China for several weeks, departed during the week for India on their way back to America. Mr. and Mrs. Cole are spending a year on a general inspection trip around the world. Before coming to China they were in Japan.

Mrs. A. W. Burnham of Chicago, accompanied by her two daughters arrived in Shanghai recently, on a leisurely trip around the world. Mrs. Burnham is a well-known pen and ink artist and is engaged in making pictures and sketches which are being sent to newspapers and art magazines in the United States. Mrs. Burnham is living at the Missionary Home in Shanghai and expects to remain here about a month doing sketching.

Commenting on the Sino-Belgian and Sino-Italian commercial treaties recently concluded, a certain member of the Central Executive Committee is quoted by *Kuo Wen* news agency as saying that when a comparison is made between the old and new treaties the latter is certainly far more satisfactory as far as China is concerned; but when customs questions are taken into consideration the new treaties are still far from satisfactory.

H. M. Herron and R. L. Drake, prominent officials of the Texas Co., who have been in China for several months, are at present in Shanghai. Mr. Herron is the director in charge of the export division of the company and Mr. Drake is in charge of the Port Arthur (Texas) plant as general superintendent. J. V. Murray, also an official of the head office of the texas Co. who has been on an inspection trip to Hankow, has returned to Shanghai.

Judge Milton D. Purdy, in the U. S. Court for China was occupied part of the time during the week hearing witnesses in the case of the British Indo-China Steam Navigation Co., Ltd., against James B. Katz, trading as the Commercial Express & Storage Co. The petitioners for the Indo-China Steam Navigation Co., Ltd., were Jardine, Matheson & Co. Ltd. The case concerned the transportation from Shanghai of 25 cases billed as "needles" which were searched by the Chinese military at Wanhsien and found to be largely ammunition.

Japanese Report Alleges T. V. Soong Has Agreed to Japanese Demands

According to a report by the Japanese *Nippon Dempo Service*, which appeared in the *Japan Advertiser* on December 1, T. V. Soong, Nationalist Minister of Finance has agreed to the Japanese demands to use a portion of the inreased tariff rates resulting from China's tariff autonomy program, to refund a portion of the defaulted Japanese loans. The news report did not mention the so-called Nishihara loans, but appeared to the tollowing effect in the *Advertiser*:

"Regarding the unsecured loans, the Chinese deem it fit to recognize all the demands of Japan, while the Japanese express approval of the Chinese program for the redemption of the unsecured loans from the incrase of customs receipts after the enforcement of customs autonomy. The annuity for redemption of the loan has been fixed at 10,000,000 Yuan, which will be expended to redeem parts of both the secured and unsecured loans. Such an annuity will be increased gradually year by year in proportion to the increase of customs receipts."

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Peiping, Nov. 29.—Students of old Peking University who are opposed to new administration and also opposed to changing the name to "Peiping" stage a demonstration and threaten to burn the residence of the new president.

Tokyo, Nov. 30.—Alleging that Chinese officials had taken an attitude of "double-crossing" Japan's intentions Mr. Kuhara, Minister of Communications, states that Japan is unable to find any means for the continuance of the negotiations.

Tokyo, Nov. 30.—With regard to rumors of Anglo-Japanese cooperation on China policy, the general sentiment in America is likely to incline in favor of cooperation with the Powers concerned.

Tokyo, Dec. 1.—Japanese committee affiliated with International Chamber of Commerce decides to dispatch representatives to the proposed international economic conference vis-a-vis China to be held in Paris next January.

Tokyo, Dec. 1.—Premier Tanaka and Mr. Arita in report on Sino-Japanese relations state that as the authorities of the National Government are striving to increase their power and maintain control of the Kuomintang by postponing the conference until March, China will in due course likely be disposed to resume negotiations with Japan.

Peiping, Dec. 1.—Run starts on Exchange Bank of China, a Sino-Japanese joint stock company, but bank satisfies all demands.

Tokyo, Dec. 2.—Mr. Tokonami, president of the Shinto Club, has an interview with Premier Tanaka, and it is understood that he will shortly go to China on an important mission.

Tokyo, Dec. 2.—Mr. Tanaka, Japanese Ambassador who has just returned from Soviet Russia, states that of all things the Soviets are most anxious to have the United States recognize her government.

Peiping, Dec. 3.—Recalcitrant students of Peking University strengthen their union and the incident will probably not be settled easily. The students yesterday beat senseless members of the Peiping C.P.C. who had been dispatched to supervise the University.

Tokyo, Dec. 3.—Mr. Tokonami will sail from Kobe Dec. 8 for Shanghai. He says he wishes to investigate situation in China himself before he comes to a decision as to his attitude on Premier Tanaka's policy.

GROWING TUNG OIL IN AMERICA

(*Continued from page 50*)

may produce only about 9 to 12 bushels per acre which may represent a money value of probably less than $12.

It is believed that an acre of tung oil trees, when fully developed, will show a yield of at least $50 per acre, although their suggestions are based upon the yields obtained from very carefully grown individual trees.

From 109 trees last year on one grove in Florida, the first one to bear commercially, a yield of 1,020 pounds of oil was obtained.

Comparison with the Chinese product showed American grown oil to be of a lighter color and higher quality. Time and the hard-working tung growers will bring quantity in this beginning of an important American industry.

CUSTOMS NOTIFICATION NO. 1139

Acting under instructions from the Officiating Inspector General of Customs I have to notify the public that the period for duty exemption of tea, dust, black tea, and brick and tablet tea and other measures for relief of the tea trade now in force have been extended *sine die.*

F. W. Maze
Commissioner of Customs

CUSTOM HOUSE,
Shanghai, 5th December, 1928

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, November 28.—Kwangtung provincial government remits $200,000 to Nanking for construction of motor road from Drum Tower to Shen-chek Men.—Gen. Yen Hsi-shan announces intention to attend military conference at Nanking in December.—Executive Yuan holds fifth meeting.—Successful candidates who passed the recent diplomatic examinations to undergo three months training in various departments of Ministry of Foreign Affairs during which time they will receive monthly salary of $60.—Chang Hsueh-liang in telegram to Sun Fo states that he has ordered return to the Peiping-Mukden railway administration of ten passenger and freight trains and three locomotives.—Chiang Kai-shek at Hsuchow gives instructions concerning bandit suppression.—Chang Hsueh-liang in telegram to State Council states that he is sending delegates to Nanking so that they may return later and guide the people in Party affairs.—Special train No. 100 of the Peiping-Mukden line to be used to convey Sun Yat-sen casket to Nanking.—A Chung Hua National Reconstruction Exposition is planned to be held by Ministry of Industry, Commerce and Labor in 1931.—Swedish charge d'affaires coming to Shanghai to negotiate new treaty.—Ministry of Education plans organization of University Council.

Thursday, November 29.—Chang Chih-kiang, chairman of National Opium Suppression Committee petitions for cooperation in investigation of Shanghai opium scandal.—Canton plans to use French Consulate, returned to Provincial Government, as library.—National products exhibition to be held at Hankow February 1.—Monoplane *Canton* enroute from Mukden to Shanghai via Tientsin.—Overseas Reconstruction Conference to be held in Nanking March next.—C. P. C. holds 165th meeting at Nanking—Divisional Suppeme Court to be established at Mukden by the Judicial Yuan.—National Association of Chambers of Commerce and Shanghai General Chamber of Commerce appeal to Executive Yuan to remain firm in dealing with Japan.—Shanghai Special Municipality plans to erect new Municipal building so as to centralize administration.—Gen. Chu Pei-teh of Kiangsi asks Nanking to send several airplanes for bandit suppression use.—Delegates from Inner Mongolia arrive at Nanking.—Central Political Council decides to release Cheng Chien, former commander of the 6th Nationalist Army (in charge at time of Nanking incident).—Preparations in progress at Nanking for holding of Kuomintang congress March 15 next.—Wang Ching-hui, president of Judicial Yuan, declares many reforms are contemplated in his department.—Foreign Relations Committee at Nanking recommends Dr. C. C. Wu as Minister to Washington, and Alfred Sze as Minister to London.—Text published of Belgian treaty signed November 20.

Friday, November 30.—Text published of treay signed between Italy and China November 27.—Central Party headquarters at Nanking announce broadcasting of reports in English Mondays and Thursdays 3.30 to 4 p.m.—Committee at Peiping disposing of properties confiscated from Northern militarists.—Recent opium scandal at Shanghai to be investigated by following delegates: Chang Chih-kiang, Wei Tao-ming and Wang Wei-san.—Standing committee of C. E. C. holds 184th meeting.—Hydroplane *"Chukiang"* delayed in starting from Canton.—Special Municipality of Peiping rejects application of Spanish authorities to open office to enlist coolies for South Africa.

Saturday, December 1.—Interprovincial civil affairs conference of southeastern provinces fixed for Dec. 15.—Legislative Yuan to commence functioning Dec. 5.—Chang Hsueh-liang pledges $1,000,000 for famine relief in Honan, Shensi and Kansu.—Overseas Chinese in large number announce intention to return to China to attend state burial of Sun Yat-sen.—Special district near former Ming palaces at Nanking to be selected as headquarters for Central government administrations.—Sino-Japanese concern asks permission to exploit mineral deposits in Anhwei but is refused.—Yangstze river conservancy board decides to improve channel between Woosung and Chungking.—French Minister and Dr. C. T. Wang confer at Nanking.—National Reconstruction Committee continues development of radio communication throughout the country.—Chang Chih-kiang states that he intends to make the Shanghai affair a tets case as to the government's sincerity in suppressing opium.—

State Council holds 9th meeting at Nanking.—Chiang Kai-shek returns to Nanking on gunboat.

Sunday and Monday, December 2 and 3.—Chiang Kai-shek presides at meeting of State Council to investigate Shanghai opium scandal.—Monoplane *Canton* arrives at Tientsin from Mukden.—Hsueh Tuhl-pi, Minister of Health, announces that all patent medicines must be submitted for analysis before they may be sold or advertised.—State Council entertains delegates from Inner Mongolia.—Dr. C. T. Wang in interview states that if Japan was in no hurry to negotiate China would be obliged to let things rest as they are.—Bandit suppression measures being increased in Pengpu area.—Shantung province establishes a road construction office at Taian.—Mongolian and Thibetan affairs committee at Nanking urges improved educational facilities in those two provinces.—Auditing Council at Nanking asks Government organs not to exceed expenditure stated in budgets.—Ministry of Railways committee to proceed to Hunan to survey territory to be crossed by Chuchow-Hengchow section of Canton-Hankow railway.—Albert Thomas at Shanghai states that he was highly pleased with the results of his journey and the contacts he has made.—State Council orders detention of entire crew of s. s. *Kiangan* which brought to Shanghai the opium which forms the basis of present pending scandal.—Commander Ling Fu-yuan of Canton will attempt Canton to Peiping non-stop flight.—State Council issues mandate defining duties and punishments.

Tuesday, December 4.—Committee which investigated Shanghai opium scandal returns to Nanking from Shanghai and will report to Central Political Council.—Mayor Chang Ting-fan of Shanghai resigns as result of government's attitude on opium scandal.—Central Research Council appropriates $100,000 for spacious Science building at Shanghai.—Overseas Committee at Nanking requests government to protest to Siam, against treatment of Chinese who had started to boycott Japanese.—Wu Tso-hua, representative of Yen Hsi-shan gives report on Hopei situation to Chiang Kai-shek at Nanking.—Chiang Kai-shek to come to Shanghai shortly to continue army inspection.—Hunan province to build 800 miles of new roads at estimated cost of $3,200,000.—Automobile parade at Nanking to foster anti-Japanese boycott is participated in by 50 cars.—Chiang Kai-shek at Nankiag expresses his unequivocal dissatisfaction at the slow improvement made by the National government since the reorganization two months ago.—Gen. Yen Hsi-shan in communication to Opium Suppression Bureau states that the German Consular officials had informed him that they had refused permission to Japanese to import into China four thousand kilograms of heroin from Germany.—Dr. H. H. Kung plans to visit exposition at Manila next Spring.—*Canton* monoplane arrives at Shanghai.

Ministry of Commerce Drafts Factory Law

The Ministry of Industry, Commerce and Labor has drafted a factory law, which will shortly be submitted to the Government Council for approval. The law consists of sixteen chapters, covering such matters as child labor, contracts, dismissals, working hours, rest periods, standards of production, wages, distribution of profit, sanitation and safety of workers, workers' councils, apprenticeship, inspection, etc.

No Employees under Fourteen

Chapter II provides that child labor under the age of 14 shall be prohibited in all factories, and all boys and girls above 14 and below 16 are considered as minor workers who will be permitted to be engaged in light and easy work only. A worker may enter into an individual contract with the factory while the Labor Unions may conclude collective contracts with the factories on behalf of any group of workers. Contracts of both kinds must be in writing and must first be approved by the proper government organs before they can become valid.

Disrtibution of profits is dealt with in Chapter VIII in which it is provided that 10 per cent. of the net profit of the factory after due deductions for the reserve fund should be distributed amongthe management and directors; 45 per cent. among the shareholders; 45 per cent among the workers.

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CUSTOMS NOTIFICATION NO. 1140

Native Lacquer Ware And Paper Kittysols:

The public is hereby notified that on and after the 1st December, 1928, Native Lacquer Ware and Paper Kittysols are to be exempted from duty when exported abroad. The exemption does not cover movements coastwise, unless the ultimate shipment of the articles in question to a foreign country is the direct object in view; in which case the Customs requires the execution of a Bond, guaranteeing the full coastal duties due in the event of the goods not being sent out of the country within one year after the date on which the Bond has been executed. The regulations governing the execution of such Bonds will be similar to those applied now, and in the past, to Tea Bonds.

F. W. Maze
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th December, 1928.

In the United States Court for China

MORRIS EDWARD EASON, Plaintiff.
vs
HILDA MAY EASON, Defendant.

Cause No. 3129
Civil No. 1344
ORDER.
Filed at Shanghai, China.
26 Nov. 1928
L. T. Kenake
Assistant Clerk.

The object of this suit is an action for divorce

WHEREAS plaintiff herein, by his attorney, has this twenty-sixth day of November 1928 made application for the substitution of publication for personal service of summons upon defendant herein; and

WHEREAS it appears from the files of this case that on the 26th day of November 1928, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 26th day of November 1928, MORRIS EDWARD EASON, the plaintiff herein, filed an affidavit to the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of the Court during the last six months previous to the 26th day of November 1928,

NOW, THEREFORE, it is this 26th day of November 1928 ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the fifteenth day of December 1928, the day of the last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT,
MILTON D. PURDY
JUDGE

New Books of Interest in the Far East

The "Obscenity" Farce—and the Law in China

To the Pure...A Study of Obscenity and the Censor. By Morris L. Ernst and William Seagle. The Viking Press, New York. 1928.

This new book by two New York lawyers of prominence is unquestionably the finest work that has appeared on the question of sex censorship. Edna Ferber has declared that "anyone who has ever read a book, or written a book, or published a book, or sold a book, will want to read this one." Let us hope this is true.

But particularly should the book be of interest and importance to Chinese lawyers and administrators of justice, at a time when China's new criminal code is going into effect. It is in this early period that it is most of all necessary—and most of all possible—to prevent the development of those ambiguities, inconsistencies, asininities, and rank injustices, resulting in the actual hampering of cultural growth, which have resulted from the operation of obscenity laws in some Western countries. So accustomed are we Anglo-Saxons to the existence of censorship of this nature that few of us ever think of these laws as a new departure. It is a fact, however, that our unfortunate ancestors had to muddle along without the moral protection of these divine statutes, the first of which was passed in 1868, this being in England, followed a few years later by the American law. It is fearful to realize what sort of lives our grandparents must have lived without their protection. And yet there is no indication that morals were lower among that generation than among the present. As a matter of fact, grandparents seem for the most part to be rather emphatically inclined to a contrary belief.

History of Sex Censorship

As indicated above, the book covers a wide field. First, there is the historical aspect. The two lawyers whose joint efforts have produced this work have analyzed clearly the legal developments in connection with censorship, pointing out how, with the development of printing and the popularization of education, the reading of the common people began to worry the people who were used to ruling both in the temporal and the spiritual world. From blasphemy and sedition, gradually dwindling into unimportance with the secularization and (at least partial) democratization of life, the holy spirit of the snoopers turned to sex censorship,-beginning, naturally, in Anglo-Saxon lands owing to their more rapid political development, and now spreading through Europe (and Asia, also, it should be mentioned) in the trail of republicanism.

It seems savage and monstrous today that Vizitelly, the publisher of Emile Zola in English translation thirty-eight years ago, was sentenced to a term in prison for this, and died as a result, though Zola himself, visiting London four years later, was the central figure in a triumphant procession to the Guildhall and a great dinner at the Crystal Palace, in which the Mayor and other dignitaries participated. But let us remember the suppression of Havelock Ellis as obscene, the banning of Swinburne on the same grounds, the filthy campaign against our one authentic native genius Whitman at home, and the other enormities perpetrated by those snoopers whom most persons inaccurately term "Puritans," the present authors refer to as "pudibund," and some might define as persons "thinking below the belt."

Close Administration

One aspect of censorship the lawyers bring out clearly. It is obviously a survival of class administration of law. If a work is so written as to be accessible only to the intellectual minority it can get by with any quantity of obscenity, as is evidenced today in the works of Cabell, the legal defence of which (the quotation is from the court which upheld "Jurgen") is that it is doubtful if they "could be read or understood at all by more than a very limited number of readers." It is only the vulgar herd-"the proletariat" as Mencken would say—who must have their reading matter censored for them. The same class element is made clear by the amount of erotic stuff "privately printed" in expensive editions and practically immune from censorship, in the "fearful danger" of cheap reprints which are within the reach of anyone, and in the almost complete lack of censorship of works in foreign languages (these being of course inaccessible to the ordinary masses of the natives, whether of America or England). And a related point is the use of the obscenity laws against fine and serious works which reflect upon existing sexual conventions and hypocrisies (Zola, Dreiser, Shaw, W. L. George, Shelley, are examples, not to speak of Havelock Ellis, Margaret Sanger, and other splendid figures), while a Shubert review can get away with almost anything. In fact, "a criticism of established sin tends to become criminal obscenity."

There is no space here to go into other extraordinary inconsistencies, such as a man spending the night with his mistress in New York being non-criminal, while his sending a letter through the mails making the appointment with her constitutes a felony. The Federal Post-Office censorship in America is one of the most dangerous and irresponsible dictatorships in existence, and the "most amazing cases in the history of censorship in the United States are Federal ones." There is, for instance, the attempt made to bar the official Field Museum importations of Chinese pictures and manuscripts in 1909 as obscene, and the even greater classic of the exclusion from the mails in 1911 of the Chicago Vice Report prepared by an official Vice Commission of the City of Chicago for circulation among clergymen, editors, and social workers. The long list of postal exclusions includes the "Kreutzer Sonata," in connection with which the intelligent and high-minded Theodore Roosevelt took occasion to denounce Leo Tolstoy, author of the work, as "a sexual and moral pervert."

All these vicious absurdities and buffooneries appear strange to us at a perspective of a very few years, but it must be understood that the snoopers are as busy as ever, and still carrying on their noble crusade for "morals, not literature or art," though the recent successful case against them for malicious persecution somewhat chilled their enthusiasm in New York.

The Chinese Law

The book scarcely mentions China, except with regard to the attempt made by the American post office to bar the official Field Museum imports of Chinese pictures and manuscripts. The new law of China, however (Article 251 of the Chinese Criminal Code) is as sweeping and indefinite as anything can well be:

"Whoever distributes or sells any indecent writing, picture, or any other indecent object, or publicly displays the same, shall be punished with a fine of not more than one thousand dollars.

"Whoever manufactures or keeps, with intent to sell, any of the writing, picture, or any other object as specified in the preceding section shall be punished with the same penalty."

In addition to which, the offender may be deprived of his civil rights (see Article 253.)

Now just what this law amounts to, it analyzed, is that the purveying of some writing, etc. which may be sexually exciting, is a crime, And yet sex in itself under ordinary circumstances (i. e., excluding adultery and rape) is not a crime. Here we have the extraordinary mockery of it being a crime to incite to an act which is in itself not criminal! Can anything more foolish be imagined?

And if any attempt at enforcement of the law is actually made, everyone knows what foreign books will first fall under the ban. First of all, without any hesitation, the Bible. The traditional veneration for this book in Christian countries has prevented its being banned as indecent or obscene (though it has been expurgated at times, once by Noah Webster, who edited an antiseptic edition a century ago), but there is no such traditional veneration in China.

It can be argued that China will lose little by the exclusion of Christian propaganda which is also indecent, but what shall be said about other western literature? Shakespeare is as obscene as Ezekiel. And what shall be said of the other English classics,—Beaumont and Fletcher, Dryden, Fielding, Swift, Rosetti, Swinburne? And what of those great American literary figures,—Whitman and Cabell? And what of the French,—Rabelais, Villon, Balzac, Zola, Anatole France.....?

"Decency" A Relative Thing

The point is, of course, that our standards of "decency," etc., are altogether relative, whether in China, America, or Europe. A woman who appeared at Atlantic City thirty years ago in the style of beach costume she wears today would have been arrested at once for indecency. In most parts of China

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today the fashionable dress for Chinese in Shanghai would be regarded as absolutely immoral, and under the present law the wearer might have some very unpleasant experiences. On the other hand, trousers for women are passing out of style here, and will soon come to be regarded as quite improper, so that we may soon see the interesting spectacle of a lady from Ningpo, coming here direct by steamer, arrested for indecency on our sinless streets, while a lady from Shanghai, traveling to Ningpo by the same line, will find herself in a Ningpo jail on the same count,—though both will be wearing the dress regarded as modish and modest in their particular community.

After all, there is no doubt that the greatest stimula to sex is neither literature nor art. Glands existed before books, To a man the greatest excitant is a woman,—and vice versa. So if we are to go to the root of the trouble, we must abolish men and women,—or glands. Anything less than that will fail.

Statutes which bring the law into obloquy and contempt should be eliminated. Is there any reason why this ambiguous "indecency" law, with its manifold opportunities for misuse, should exist on the state-books of the new republic here? After all, as Herbert Spencer remarked, "the ultimate effect of shielding man from his own follies is to make a world full of fools." And according to recent reports the Chinese authorities here are actually considering banning as "indecent" advertisements of contraceptive devices,—things as necessary to higher social and consequently moral standards as anything imaginable.

Because we Anglo-Saxons have done some malicious and asinine things in the past half-century seems no reason why the Chinese should attempt to imitate each act of this kind.

"In any society based on the scientific principle any law restraining knowledge should have to prove its way onto the statute books. We must start with a presumption in favor of liberty of thought. When a book is haled before the bar of justice, its author should not be condemned upon unverified hypotheses. His guilt should not be presumed. It will be time enough to invoke the majesty of the law when actual witnesses whom the book has debauched come weeping into court, and cry for punishment of their seducers."

HARRY PAXTON HOWARD

A Farmer's Pitiful Tale About Bandits

Several days ago, Mr. Cheo and I went to Yen-zi-chi to investigate the conditions. After having finished the main work, we took a rest in a nearby Wang Ho Yuen tea-house, in which there were many farmers. Immediately we took the opportunity to propagate the organization of Cooperative Credit Societies.

Attentively and quietly, the many farmers listened as if they were much interested in the subject. Of course, it was very easy to talk to them without much preparation. But, during the most interesting period of my speech, one of the local leaders said: "Sir! we understand and fully appreciate what you have just said, but if any financial help is rendered to us now, it would only bring us more harm than good, for our greatest distress and sorrow is no other than 'Bandits'. We can now neither work in the day time, nor rest at night. The so-called well-to-do families have left their fields idle and have taken refuge in the city. Those who are as poor as we have neither means to move to other places, nor work at home, but close the door at night and hurry away to hide with their children wet and cold, in the bushes and streams of the mountain-sides, in spite of the mosquitoes and snakes. Consequently, many deaths have occurred. We do not grieve over the dead, for it is better to die of sickness than to be killed by 'Bandits'. Therefore, we would rather die than to suffer. If you could think out some means of ridding us of the 'Bandits' instead of introducing to us the Cooperative Societies, we would be everlastingly grateful to you and we would never cease in appreciating your help." After he had finished his little speech he looked very sad and mournful and sat down sobbing. I was overcome with astonishment and could not answer him,only comfort him in a few words.

After we came back we could not stop thinking of and feeling sympathy for the poor Farmers.

Nanking, Dec. 3, 1928 J.L.B.

Quaker Oats Company To Open Own Offices December 10

W. H. Daub, Far Eastern Manager of the Quaker Oats Company, American manufacturers of cereal foods, has announced the opening on December 10, of business offices in the Bank of Taiwan Building, No. 1 Kiukiang Road, where all China transactions are to be arranged. Formerly Muller & Phipps, Ltd. represented the Quaker Oats Company here, but the latter's volume of business has increased so rapidly within the past few years that it has been found necessary to establish special facilities adequately to supply this market.

Publications of the

World Peace Foundation

On sale at the office of

The China Weekly Review

—China Today: Political—a booklet, which with appendix, contains approximately 150 pages and covers the Nationalist Movement with a reference to the political organization before and since 1911, civil conflicts since 1916, the Nationalist Movement, Revolt Against External Influences, attitude of the United States, etc..... By Dr. Stanley K. Hornbeck, formerly lecturer on History of the Far East at Harvard University, and now Chief of the Division of Far Eastern Affairs of the Department of State..... Price 30 ¢
(In cardboard cover)..... „ $1.00

—Eighth Yearbook of the League of Nations, the record of 1927..... „ 70 ¢

—The World Court, 1922 to 1928, the Yearbook of the Permanent Court of International Justice. By Dr. Manley O. Hudson, professor of International Law at Harvard ..... „ 70 ¢

—American Neutrality and International Police, by Philip C. Jessup, Assistant Professor of International Law, Columbia University ..... „ 70 ¢

—The British Commonwealth of Nations, by A. Lawrence Lowell and D. Duncan Hall ..... „ 50 ¢

—Nicaragua and the United States, by Isaac Joslin Cox..... „ 70 ¢

—Arbitration and the United States-Summary of Development of Pacific Settement of International Disputes ..... „ 25 ¢

—The Locarno Conference, October 1925 ..... „ 15 ¢

—The Mexican Revolution and the United States, 1910-1926 ..... „ 15 ¢

—Problems of the Pacific, By Raymond Leslie Buell ..... „ 25 ¢

In case copies of these books are desired in permanent cardboard binding the price is Mex. $2. Since there is only a limited number of copies on hand orders should be placed immediately. Send orders to the undersigned,

THE CHINA WEEKLY REVIEW

4 Avenue Edward VII

Shanghai

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 6	Approx. Yield to Maturity %
The National City Bank of New York	20%	Stock	1310	1.53
Argentine Government	6	Oct. 1, 1960	100½	5.96
Australia	4½	May 1, 1956	88	5.34
U. S. of Brazil	6½	Oct. 15, 1957	95⅝	6.84
Kingdom of Belgium	7	Nov. 1, 1967	106	6.54
City of Budapest	6	June 1, 1962	84½	7.24
Canadian Pacific Railway	4	Perpetual Stk.	88	4.55
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan. 1, 2000	77¾	6.45
Chicago Rapid Transit Co.	6	July 1, 1953	91	6.76
Chile Copper Co. Debs.	5	Jan. 1, 1947	93⅛	5.61
Chile Government (Railway)	6	Feb. 1, 1961	94	6.44
Cuba Northern Railway	5½	June 1, 1942	95	6.05
Republic of Costa Rica	7½	Sep. 1, 1949	102	7.31
Chile Government	6	Sep. 1, 1961	93½	6.48
Cuban Dominican Sugar Co.	7½	Nov. 1, 1944	98	7.72
Kingdom of Denmark	6	Jan. 1, 1942	104⅞	5.45
Dutch East Dadies	5½	Nov. 1, 1953	104	5.21
Republic of Finland	5⅛	Feb. 1, 1958	91⅞	6.15
French Government	7	Dec. 1, 1949	107⅝	6.34
German Government	7	Oct. 15, 1949	106⅝	6.41
German Central Bank for Agriculture	6	Oct. 15, 1960	88¼	6.92
German Central Bank for Agriculture	6	Apr. 15, 1938	90¼	7.45
German General Electric Co.	6	May 1, 1948	93½	6.60
Greek Government	6	Feb. 1, 1968	86	7.06
Ilseder Steel Corporation	7	Apr. 1, 1946	103 (Bid)	6.71
Kingdom of Italy	7	Dec. 1, 1951	97¾	7.20
Japanese Government	6½	Feb. 1, 1954	Mutilated	—
State of Minas Geraes (Brazil)	6⅓	Mar. 1, 1958	95⅞	6.88
Mortgage Bank of Chile	6	Apr. 30, 1961	93⅛	6.48
Netherland	6	Apr. 1, 1954	101	5.92
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1, 1957	92½	6.05
Kingdom of Norway	6	Oct. 15, 1952	102⅜	5.79
Northern Ohio Power & Light Co.	6½	Jan. 1, 1941	99⅛	6.56
Republic of Peru	6	Dec. 1, 1960	90⅜	6.71
Paris, Lyons & Med Rwy.	6	Aug. 15, 1958	99⅛	6.04
Republic of Panama	5	May 15, 1963	95½	5.28
State of Rio Grande Do Sul (Brazil)	6	June 1, 1968	92½	6.51
Rhine Westphalia Elec. Power Corp.	6	Aug. 1, 1953	94¼	6.47
Saxon State Mortgage Inst.	6½	Dec. 1, 1946	94½	7.04
Saxon Public Works, Inc.	6½	May 1, 1951	94¼	7.01
Tokyo Electric Light Co.	6	Jun. 15, 1953	90¾	6.78
United Kingdom of Gr. Britain	5½	Feb. 1, 1937	105	4.72
City of Vienna	6	Nov. 1, 1952	87½	7.09
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.	87	6.90
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American Shrs)	85¼	7.04
Cannon Mills Co.		Common Stock	45⅞	—
General Mills, Inc.	6	Cum. Pfd. Stock.	97 Bid	6.19
General Mills, Inc.		Common Stock	84½	—
Grasselli Chemical Co.		„ „	99	—
Hershey Chocolate Corp. Convertible	4	Pfd. Stock	87½	4.57
Mohawk Carpet Mills, Inc.		Common Stock	60⅜	—
Pennsylvania-Dixie Cement Corp.	7	Cum. Pfd. Stock.	85	8.23
Victor Talking Maching Co.	7	Cum. Pfd. Stock.	108⅞	6.45
Willys Overland Co.	7	Cum. Pfd. Stock	100	7.00
Republic of Finland	6½	Sep. 1, 1956	99½	6.54
Oriental Development Co.	5½	Nov. 1, 1958	91¾	6.10
Portland Electric Power Co.	5½	May 1, 1951	95	5.86
Vertientes Sugar	7	Dec. 1, 1942	98½	7.17
AndesCopper Mining Co.		Common Stock	47⅜	—
General Motors Corp. (New)		Common Stock	86¾	—

NOTE: The above quotations are subject to confirmation by The National City Company, New York City.

Shanghai Exchange for Week Ending Wednesday, 5th December, 1928

Exchange:—The undertone of the silver markets has not been so good during the week under review, and the price of Bar Silver in London has slowly declined to 26½d. for spot and 26⅝d. forward, as against 26⅝d. and 26 7/16d. respectively last week. After having remained unchanged for 39 days, the local official rate for T/T on London was reduced ¼d. on the 4th instant to 2/7½d., but sellers can still be found at 2/7½d.

The demand for T/T is still very restricted but the offerings of export paper is more in evidence, and settlements have been larger than for some time past. Speculators have been operating in a small way, buyers being predominant. It will be seen from the appended figures that the stocks of silver in Shanghai are more than well maintained.

The following rates were available when the market closed to-day, T/T on London 2/7 7/16d., T/T on New York 63¾, Yens 72⅜.

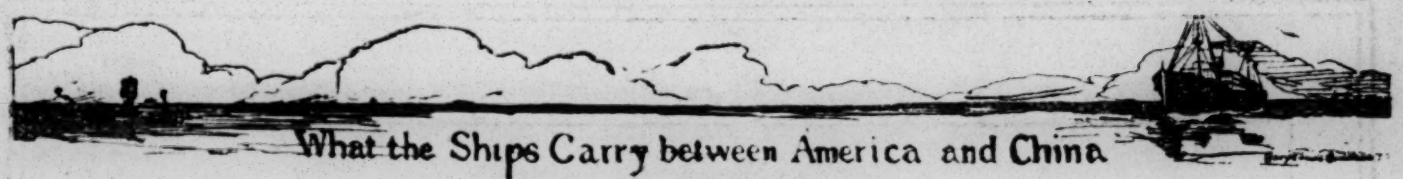
Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 62,717,000 a decrease of Tls. 1,608,000
Chinese and Mexican Dollars..... $ 93,080,000 an increase of $ 4,490,000
Estimated value Tls. 129,734,000 as against Tls. 114,155,000 held at this time last year.

	Average rates for Nov.	Thursday, Nov. 29	Friday Nov. 30	Saturday Dec. 1	Monday Dec. 3	Tues. Dec 4		Wed Dec. 5
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing		opening closing
T/T London	2/7.500	2/7 7/16	2/7½	2/7½	2/7½	2/7½	2/7¼	2/7¼
D/Dfts „	—	2/7 9/16	2/7 9/16	2/7 9/16	2/7 9/16	2/7 9/16	2/7 9/16	2/7 9/16
4 m/s „	—	2/7⅜	2/7⅜	2/7⅜	2/7¼	2/7⅜	2/7½	2/7½
T/T India	174.080	174¼	174⅜	174¼	174	174	172½	172½
T/T France	1,630.000	1630	1630	1630	1630	1630	1615	1615
T/T N. Y.	63.625	63⅝	63⅝	63⅝	63⅝	63⅝	63⅜	63⅜
T/T Demand		63⅜	63⅜	67¾	63⅜	63¾	63½	63¾
T/T Hamburg		267	267	267	267	267	265	265
T/T H'kong	78.495	78½	78½	78½	78½	78½	78⅝	78⅝
T/T Japan	72.960	72½	72¼	72¼	72¼	72¼	72⅜	73
T/T Batavia	158.250	158½	158½	158½	158¼	158¼	157	157
T/T Straits	89.450	89½	89½	89½	89½	89½	90¼	90
Bk's buying rates								
4 m/s B/L. Cred. D/A	2/9.500	2/9½	2/9½	2/9½	2/9½	2/9⅜	2/9.	2/9¼
4 m/s „ D/P	—	2/9⅝	2/9⅝	2/9⅝	2/9⅝	2/9⅝	2/9⅝	2/9⅝
6 m/s „ B/L Cred D/A	2/9.812	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 13/16	2/9 9/16	2/9 9/16
4 m/s B/F Cred D/A or D/P	1,700.000	1700	1700	1700	1700	1700	1685	1685
4 m/s N.Y.Lc.	66.875	66⅞	66⅞	66⅞	66⅞	66⅞	66⅝	66⅝
4 m/s „ Docs	—	67⅛	67⅛	67⅛	67⅝	67⅝	66⅞	66⅞

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Nov. 29	Nov. 30	Dec. 1	Dec. 3	Dec. 4	Dec. 5
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 11/16	26⅝	26 9/16	26 9/16	26 9/16	26½
**New York Price of Bar Silver per oz. (Pure)	G. $ 57⅞	G. $.57⅞	G. $.57¾	G.$.57⅞	G.$ 57¾	G. $.57½
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 352.80	Tls. 352.10	Tls. 351.80	Tls. 351.70	Tls. 354.40	Tls. 355.20
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.9	110.9	110.90	110.9	110.90
Shanghai Mexican Dollars per $100.	72.3	72.3375	72.2875	72 2	72.1875	72.1625
Native Bank Rate of Interest (Call money)	4%	3½%	4%	4%	3½%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.12
Bank of France rate of discount	3½%	New York on London	T/T 485
London open Market of Dis. 3 m/s	4 5/16%	Bombay on London	T/T 1/6 15/32
„ 4 „	4 5/16%	Hongkong on London	T/T 2/0¼
„ 6 „	4⅜%	Kobe on London	T/T 1/10 23/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; Dec. Customs Rate Tls. 1.41 equal Gold $1

PRESIDENT MADISON, Oct. 19.
To U. S. A.

Tea, Black:		
Other kinds, Hankow	Pls.	127
Other Kinds, Kiukiang	,,	23
Tea, Green:		
Young Hyson, Hangchow	,,	1
Gunpowder, Ningpo	,,	333
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 245	,,	233.45
White, other Ports Bls. 20	,,	19.88
Silk, Raw, Re-reeled:		
White, other Ports Bls. 10	,,	10.24
Silk, Waste, Refuse:		
Other Ports Bls. 30	,,	99.64
Silk Cocoons, Pierced:		
Shanghai Bls. 5	,,	14.81
Other Ports Bls. 14	,,	12.14
Silk Cocoon Strippings:		
Shanghai Bls. 18	,,	59.26
Silk Pongees, Shantung	,,	0.90
Bristles	,,	21
Chinaware, Fine	,,	18
Egg Yolk, Dried	,,	30
,, Whole Dried	,,	234
Walnuts, Kernels	,,	9,880
Wool, Sheep's	,,	903
Hats, Buntal Fibre	Pcs.	3,107
,, Hemp	,,	1,200

SILVER BEECH, Oct. 20.
From U. S. A.

Tinned Plate Scraps	Pls.	618
Expanded Metal	,,	36
Carbon Black	,,	246
Cotton, Raw Bls. 742	,,	2,633
Gum, Arabic	,,	5
Indigo Paste, Artificial:		
20 per cent.	,,	2,246
Paper, Coated	,,	314
,, Unclassed	,,	455
Petrolatum Yellow	,,	141
Soda, Caustic	,,	1,155
Sulphur Black	,,	1,309
Tobacco, Leaf	,,	18,350
Wax, Paraffin	,,	891
Oil, Lubricating, other kinds	Galls.	2,908
Machines, Sewing	Pcs.	20
Typewriters	,,	45
Infants' Food	Hk.Tls.	1,680
Machinery	Hk.Tls.	28,267
Motor-cars, Parts of	Hk.Tls.	1,277
Treasure:		
Silver Bars	,,	539,304

BOLTON CASTLE, Oct. 20.
From U. S. A.

Cotton Embroidery	Pls.	8
Carbon Black	,,	246
Dextrine	,,	23
Flour, Corn	,,	11
Glucose	,,	216
Ink, Printing	,,	4
Paper, Priting	,,	26
Petrolatum	,,	1,144
Tobacco, Leaf	,,	4,682
Tobacco, Prepared	,,	1
Wax, Paraffin	,,	4,696
Cigarettes	Mille	90,100
Oil, Lubricating, Mineral	Galls.	2,713
,, ,, other kinds	,,	7,961
Motor-cars, Parts of	Hk.Tls.	306
Machinery	,,	21,818

AFRICA MARU, Oct. 22.
From U. S. A.

Tea, Green:		
Young Hyson, Kiukiang	Pls.	193
Young Hyson, Hangchow	,,	12
Hyson, Hangchow	,,	20
,, Wenchow	,,	8
,, Kiukiang	,,	23
Gunpowder, Kiukiang	,,	6
Gunpowder, Ningpo	,,	72

PRESIDENT TAFT, Oct. 23.
From U. S. A.

Lead, Pig	Pls.	420
Apples, Fresh	,,	479
Cheese	,,	58
Flour, Wheat	,,	515
Canned Fruits,	,,	9
Bacon and Hams	,,	66
Paper, Printing	,,	193
Potatoes, Fresh	,,	38
Bedsteads	Pcs.	97
Machines, Calculating	Pcs.	2
Motor-cars	,,	15
Motor-trucks,	,,	12
Canned Salmon	Doz.	280
Hats Felt	Doz.	35
Cigarettes	Mille	200

ECLIPSE, Oct. 24.
from U. S. A.

Cotton Raw:		
American	Bls. 3,800	Pls. 13,875
Steel, Bamboo	,,	270
Steel, Galvanized:		
Wire Shorts	,,	578
Carbon Black	,,	844
Wax, Paraffin	,,	9,839
Oil, Lubricating, Mineral	Galls.	10,571
Turpentine, Vegetable	Galls.	835

EMPRESS OF RUSSIA, Oct. 26.
To U. S. A.

Silk, Raw, Steam Filature:		
White, Soochow Bls. 15	Pls.	15.26
White, Shanghai Bls. 275	,,	273.64
Yellow, Hankow, etc. Bls. 10	,,	10.37
Silk, Raw, Filature:		
Wild, Dairen etc Bls 110	,,	113 21
Silk Waste, Refuse:		
Dairen, etc. Bls. 140	,,	451.09
Shanghai Bls. 2	,,	1.53
Silk Cocoon Strippings		
Shanghai Bls. 12	,,	39.58
Silk "Bourrettes"	,,	100
Tea, Green:		
Gunpowder, Ningpo	,,	193
Artificial Silk Yarn, Waste	,,	36
Cotton Raw Bls. 2	250 Pls.	100
Brassware	,,	4
Bristles, Assorted	,,	95
Feathers, Duck	,,	50
Hair, Horse, Dressed	,,	56
Soapstone Ornaments	,,	43
Wool, Sheep's	,,	645
Skins, Rabbit, Untanned	Pcs.	8,000

Latest New York Stock Exchange Quotations

Swan, Culbertson & Co. Tel. 18891-18990 Dec. 5
Market Maintained. Business done, 4,753,200 Shares.

STOCK	Monday Dec. 3	Tuesday Dec. 4
Allied Chemical & Dye (Common)	239	238
American Can (Common)	107	105⅝
American Smelting	280	276
American Telephone & Tel. (Common)	193½	193
American Tobacco "B"	181½	182
Armour & Co. "A"	17	16½
Armour & Co. (Ill.) 7% Pfd.	None	85
Anaconda Copper	109½	109
Bancitaly Corp.	127⅝	134½
Bank of Montreal	402	396
Barnsdall Corp. "A"	45	43
Bethlehem Steel (Common)	78¼	79¼
Bethlehem Steel, 7% Pfd.	122¼	122¼
Brooklyn-Manhattan Transit	68¼	68¾
Calumet & Hecla	43⅛	43⅛
Campe Corp.	100	100
Canadian Pacific Railway	238¾	236
Cavanaugh Dobbs	37½	37
Chicago Great Western Railroad	40¼	40⅛
Chile Copper	71½	71⅛
Chrysler	126⅛	131
Consolidated Gas of New York	105⅞	106
Coty Incorporated	83⅛	82
Davison Chemical	63	63
Du Pont de Nemours E. I. (Common)	485	486
Eastman Kodak	183¾	183⅞
Fox Film "A"	97¼	101½
General Cigar	60⅝	61½
General Electric Co.	193⅞	192⅛
General Motors	211¼	212¾
General Railway Signal (Com.)	104⅝	104
Gold Dust	134⅛	139¾
Granby Consolidated	83	82
Haygart	46	46
Hudson Motor Car	89	87⅛
International Cement (Common)	83½	83
International Match, Pfd.	96	96
International Nickel (Common)	210	208½
International Printers Ink	53¼	54
International Products Corp. (Common)	12⅞	13½
International Products Corp., Pfd.	82	None
Kelvinator	17½	17½
Kennecott Copper	143	139
Liggett & Myers, Class "B"	90½	90¼
Lorillard Company (Common)	28½	28⅜
Mack Trucks	102⅞	102½
Madison Square Garden	20¼	20¾
Maytag Co.	26½	27½
Missouri Pacific Ry.	72¼	71½
National City Bank	1315	1265
National Dairy Products	131¾	130¼
Pacific Gas & Electric Co.	54⅜	53½
Packard Motor Car Co. (Common)	140¾	140¼
Pennsylvania Railroad	73⅝	73⅛
Phillips Petroleum	49⅝	49½
Radio Corporation	374	407½
Reynolds Tobacco, "B"	159¾	160¾
Standard Gas & Electric (Common)	79½	78¾
Standard Oil of California	73¾	73⅛
Standard Oil of Indiana	90	90⅝
Standard Oil of New Jersey	56½	56⅞
Standard Oil of New York	40½	41⅝
Texas Corporation (Common)	68	67¾
Texas Gulf Sulphur	75⅞	75⅛
Timken Roller Bearing	148	146⅝
Union Carbide	197⅞	198⅞
Union Pacific Railroad (Common)	214	215½
U. S. Inter. Security Pfd.	100	100
United States Leather	55¾	60
United States Realty & Imp Co.	83⅜	83½
United States Rubber (Common)	40¾	41
United States Steel	164⅝	164
Vanadium Corp.	99¼	99⅛
Willys Overland Co.	29	29¾
Wright Aeronautical	270	267

Perfect When Sun-Maid Raisins Are Used

SALTED RAISINS

1 package seeded raisins.

1 cup saled oil.

salt.

Remove the stems and any bits of seeds from the raisins. Beat the oil until the smoke just begins to appear at the surface. Drop in the raisins a few at a time and cook until they are plump. Remove from the oil and drain on unglazed paper. Transfer to a clean paper and sprinkle with table salt. These are appropriate for afternoon teas, as well as for use as an after dinner confection.

Sun-Maid Raisin Growers' Association

3 Canton Road, - - - - Shanghai.

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M,
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peking-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

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